

Ohio Insurance laws 1894

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FROM THE REVISED STATUTES.

INSURANCE LAWS

OF THE

STATE OF OHIO.

1894.

W. M. HAHN, *Superintendent of Insurance.*

NORWALK, OHIO :
THE LANING PRINTING CO., STATE PRINTERS.
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The sectional numberings of Smith & Benedict's edition of the Revised Statutes have been adopted in the following compilation.

170419

OHIO INSURANCE LAWS.

CHAPTER 8.

SUPERINTENDENT OF INSURANCE.

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- 266. Appointment, term, and who ineligible.
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SECTION 266. The superintendent of insurance shall be appointed by the governor, by and with the advice and consent of the senate, and hold his office for three years; and no person shall be appointed who is not an elector of this state, or who has any official connection with an insurance company, owns any stock in such company, or is interested in the business thereof, except as a policy-holder. [69 v. 32, § 2.]

Appointment and term

Who ineligible.

SEC. 267. Before entering upon the discharge of his duties, the superintendent shall give bond to the state in the sum of twenty thousand dollars, with not less than two sureties, to be approved by the governor, conditioned for the faithful discharge of his duty; and the bond with his oath of office and the approval of the governor indorsed thereon, shall be filed with the secretary of state. [69 v. 32, § 3.]

Bond to be given, and, with oath of office indorsed thereon, to be filed with the secretary of state.

SEC. 268. The superintendent shall see to the execution and enforcement of all laws relating to insurance. [69 v. 32, § 3.]

Duty of superintendent to enforce insurance laws.

SEC. 269. The superintendent may appoint a chief clerk, who shall have the same qualifications as the superintendent, as before prescribed, whose appointment shall be evidenced by a certificate thereof under the official seal of the superintendent; and, before entering upon the discharge of his duties, the clerk shall take the oath of office, and give bond in the sum of ten thousand dollars to the

He may appoint a chief clerk.

Clerk to take oath and give bond.

And may discharge duties of superintendent.

Other clerks may be employed.
And experts.

Insurance department: expenditures, salaries; office and fees of superintendent.

Instruments under superintendent's seal to be evidence, and entitled to record.

Examinations of companies doing business in the state.

superintendent, with two or more sureties to the acceptance of the superintendent, conditioned for the faithful performance of his official duties; and, in case of the absence or inability of the superintendent the clerk has the powers and shall perform the duties of superintendent; and the superintendent may employ, from time to time, as he deems necessary, such other clerks as the prompt dispatch of business requires; and he may also, from time to time, employ skilled and competent persons to examine the business and affairs of insurance companies and report thereon. [69 v. 32, § 4.]

SEC. 270. The office of the superintendent shall be in the state-house, and all salaries and expenditures of the insurance department shall be paid on the certificate of the superintendent; but no money shall be paid out of the state treasury in excess of the amount collected from insurance companies, as provided by law; and provided also, that, in case the excess of fees collected and paid into the state treasury, as provided by section two hundred and eighty-two, Revised Statutes of Ohio, over the total salaries and expenditures of said insurance department, shall equal the sum of fifteen thousand dollars, the said superintendent of insurance shall receive, out of said excess of fees, a sum not exceeding ten per centum on such excess; provided, that said superintendent shall not receive in such fees exceeding the sum of one thousand dollars, per centum in addition to his salary, as now provided by law. [82 v. 202.]

SEC. 271. Any certificate, assignment, or conveyance, executed by the superintendent in pursuance of law, and sealed with his seal of office, shall be received as evidence, and may be recorded in the proper recording office in the same manner and with like effect as a deed regularly acknowledged before an officer authorized by law to take acknowledgments of deeds; and all copies of papers in the office of the superintendent, certified by him and authenticated by the seal, shall, in all cases, be evidence equally and in like manner as the originals. [69 v. 32, § 5.]

SEC. 272. The superintendent, when he has reason to suspect the correctness of any statement of an insurance company doing business in the state, whether incorporated in this state or not, or that its affairs are in an unsound condition, shall make, or cause to be made by some person by him for that purpose appointed, an examination into the affairs of such company; and such company, its officers and agent, shall submit their books and business to such examination, and in every way facilitate the same; and he shall, annually, make, or cause to be made, an examination of the assets of every life insurance company organized under the laws of this state, and ascertain if the same are invested in the manner prescribed by law at the date each investment was made, and also if the last preceding annual statement of assets and unpaid death claims was correct; and the expense of all examinations shall be charged to and collected

of the companies examined, respectively, except that the actual expenses, incurred by said examination of a life insurance company organized under the laws of this state, shall be paid out of the fees paid by the insurance companies to the insurance department. [75 v. 576, § 7; 69 v. 32, § 12.]

SEC. 273. For the purpose of such examination, the superintendent, or the person or persons so appointed by him, have power to administer oaths to and examine the officers and agents of such company relating to its business and affairs; and when the superintendent deems it to the interest of the public, he may publish the result of such investigation in a newspaper printed in Columbus, and of general circulation in the state, and in one printed in the county where the principal office of such company is located. [69 v. 32, § 8.]

Powers of examiners.

May publish result.

SEC. 274. When it appears to the superintendent, from examination, or otherwise, that the assets of any life insurance company, organized under the laws of the state, are insufficient to reinsure its outstanding risks, as provided by this chapter, or that the assets of any joint stock insurance company other than life, organized under the laws of this state, after deducting therefrom all actual liabilities and a reinsurance fund equal to fifty per cent. of the whole amount of premiums on all unexpired risks and policies, are reduced twenty per cent. or more below the capital stock required by law, he shall require the officers thereof to direct the stockholders to pay in the amount of such deficiency, within such period as he designates in such requisition; and, after the superintendent issues his requisition calling for a sum to be paid by the stockholders of any company, amounting to or exceeding forty per cent. of the capital, it is unlawful for the company to issue any new policies or transact any new business until the superintendent of insurance issues to such company a license, authorizing it to resume business, or until the court has rendered its decision in the case, as herein provided; but in case the requisition calls for a less amount than forty per cent. of the capital, and the officers of the company, in accordance with the requisition, directs the stockholders to pay the amount required for making up the capital, and so signify to the superintendent, then it will be lawful for the company to continue business as before the issuing of the requisition, for the term of thirty days from the date thereof; and, if at the expiration of the thirty days, any portion of the requisition of the superintendent remains unpaid, the company shall not issue any new policies, or transact any new business until authorized by the superintendent as aforesaid. [70 v. 165, § 9.]

Proceedings against unsound companies.

Procedure in case of default to comply with requisition.

SEC. 275. In case of default on the part of the company to comply with such requisition, the superintendent shall communicate the fact to the attorney-general, who shall apply to the court of common pleas of the county in which the principal office of the company is located for an

order requiring such company to show cause why the business thereof should not be closed, and shall give to the company such notice of the pending of such application as the court directs, and the court shall thereupon proceed to hear the allegations and proof of the respective parties; or the court shall have power to refer the application of the attorney-general to a referee, to inquire into and report upon the facts stated therein: In case it appears to the satisfaction of the court that the assets of the company are not sufficient as aforesaid, or that the interests of the public so require, the court shall decree a dissolution of the company and a distribution of its effects; and any transfer of the stock of a company made during the pendency of such investigation shall not release the party making the transfer from his liability for losses which have occurred previous to the transfer. [70 v. 165, § 10.]

In relation to
unsound mutual
insurance com-
panies.

SEC. 276. If, upon examination, it appears to the superintendent that the assets of any company organized on the plan of mutual insurance, after deducting therefrom all actual liabilities and a reinsurance fund equal to fifty per cent. of the advanced cash premiums received on all unexpired risks and policies, are insufficient to justify the continuance of such company in business, he shall proceed, in relation to such company, in the same manner as is herein required in regard to joint stock companies; and the trustees or directors of such company are hereby made personally liable for any losses which are sustained upon risks taken after the superintendent of insurance has issued his requisition for filling up the deficiency in the assets, and before such deficiency is made up; but nothing herein shall be so construed as to require any mutual fire insurance company to keep on hand any cash reinsurance reserve or funds invested in securities, other than their premium notes, when the premium notes amount in gross to three per centum of the amount at risk by the company. [70 v. 165, § 11.]

Revocation of
authority to
such companies.

SEC. 277. When it appears to the superintendent of insurance, from the report of the person appointed by him or other satisfactory evidence, that the affairs of any company, partnership, or association, not organized under the laws of this state, are in an unsound condition, he shall revoke the authority granted to such company to do business in this state, and cause a notice thereof to be published in at least one newspaper published in the city of Columbus, and in the county where the general agency is located within this state; and, after the publication of such notice, it is unlawful for the agents of such company to procure any new applications for insurance or to issue any new policies. [69 v. 32, § 12.]

Record of pro-
ceedings and
report thereof

SEC. 278. The superintendent shall keep and preserve, in a permanent form, a full record of his proceedings, including a concise statement of the condition of each company reported, visited, or examined by him; and he shall, annually, at the earliest practicable date after the returns

OHIO INSURANCE LAWS.

are received from the several companies, make a report to the legislature of the general conduct and condition of the insurance companies doing business in this state, with such suggestions as he deems expedient, including also the information contained in the statements required of the companies, and the result of the official valuations of life policies, to be arranged in tabular form, and prepare the same for printing in two separate reports, one pertaining to life insurance companies, and the other to all insurance companies other than life; and he shall also report the names and compensation of the clerks employed by him, the whole amount of income, the source whence derived, and the expenses in detail, during the year ending on the thirty-first day of the preceding December. [69 v. 32, § 13.]

SEC. 279. The superintendent shall, annually, make, or cause to be made, net valuations of all outstanding policies, additions thereto, unpaid dividends, and all other obligations of every life insurance company transacting business in this state; and for the purpose of such valuations, and for making special examinations of the condition of life insurance companies, as provided in the laws of this state relating to life insurance companies, and for valuing all policies of whatever description, and for any purpose whatever, the rate of interest shall be four per cent. per annum, and the rate of mortality shall be established by the tables known as the American experience tables; but when the laws of any other state of the United States authorize a valuation of life insurance policies, by some designated state officer, according to the standard herein provided, or according to any other standard which makes the value of the policy not less than that of the standard herein provided, the valuation made according to the said standard, by such officer of the policies and other obligations of any life insurance company not organized under the laws of this state, and certified by said officer, may be received as true and correct, and no further valuation of the same shall be required of such company by the superintendent of insurance, except that in no case shall the superintendent of insurance accept the certificate of valuation of such officer of another state of the United States, when such officer does not accept, or refuses or fails to accept a like certificate from him of the valuations of the policies of any life insurance company incorporated under the laws of Ohio, or when any such officer of another state is prohibited by law from accepting the certificate of valuation of the superintendent of insurance of this state, the said superintendent shall forthwith require the officers of all companies located in such state to submit to him, within a reasonable time, the descriptions of the policies thereof for valuation, and he shall proceed to make, or cause to be made, a valuation thereof according to the standard herein named, and in case said descriptions are not submitted to the said superintendent within the time fixed by him, he shall revoke the license of such company, or companies as shall fail to do so, and

Annual valuations, rate of interest, etc.

shall refuse to renew the same, until such descriptions shall be submitted and a valuation by him shall have been completed. [75 v. 580, § 14; 86 v. 11, § 1.]

SEC. 280. The superintendent shall, annually in September, furnish to the insurance companies doing business in this state two or more printed copies of the forms of statements, required by this chapter to be made by them, and he may make such changes, from time to time, in the form of the same, and such additions thereto, as seems to him best adapted to elicit from the companies a true exhibit of their condition. [69 v. 32, § 15.]

Securities shall be deposited in the state treasury.

SEC. 281. All securities deposited with the superintendent of insurance, pursuant to the provisions of any law of the state, shall be deposited by him with the treasurer of state, who, with his sureties, shall be responsible for the safekeeping thereof; and the treasurer shall only deliver such securities, or coupons attached thereto, upon the written order of the superintendent of insurance. [70 v. 165, § 16.]

Fees shall be paid by companies.

SEC. 282. There shall be paid by every insurance company doing business in this state to the superintendent of insurance, the following fees: For filing a copy of its charter or deed of settlement, twenty-five dollars; for filing each statement, twenty dollars; for each certificate of authority, or license and certified copy thereof, two dollars; for each copy of a paper filed in his office, the sum of twenty cents per folio; and for affixing the seal of office and certifying any paper, one dollar; all of which fees shall be paid by the superintendent into the state treasury. There shall also be paid by every life insurance company doing business in this state, annually, by way of compensation for the valuation of its policies, in case no certified valuation of the same has been furnished to the superintendent of insurance, as provided in section 279 of this chapter, one cent on every one thousand dollars insured by it on lives, which, less the actual cost of making such valuations, shall be paid by the superintendent of insurance into the state treasury. When by the laws of any other state or nation, any taxes, fines, penalties, license fees, deposits of money, or of securities, or other obligations or prohibitions are imposed on insurance companies of this state, doing business in such state or nation, or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions, of whatever kind, shall be imposed upon all insurance companies of such other state or nation, doing business within this state, and upon their agents here. [69 v. 32, § 17; 88 v. 196; 89 v. 167.]

License, etc., of persons making application for insurance.

SEC. 283. It shall be unlawful for any person, company, or corporations in this state, either to procure, receive or forward applications for insurance in any company or companies not organized under the laws of this state, or in any manner to aid in the transaction of the business of insurance with any such company, unless duly authorized by

such company and licensed by the superintendent of insurance, in conformity to the provisions of this chapter. [69 v. 32, § 18.]

SEC. 284. Every insurance company doing business in this state shall publish, at least once a year, in some newspaper of general circulation, in every county, where such company has an agent, a certificate from the superintendent of insurance that such company has, in all respects, complied with the laws of the state relating to insurance; and the certificate shall also contain a statement under the oath of the president or secretary of such insurance company, of the actual amount of paid-up capital, the aggregate amount of assets and liabilities, together with the aggregate income and expenditures of such company for the year preceding the date of such certificate; a copy of which certificate shall be filed in the office of the recorder in each county in which the company has an agent, and for every such paper the recorder shall receive the sum of ten cents. No other publication than as herein provided for is required of such companies. [69 v. 32, § 19, 21.]

Annual publication of certificate required.

SEC. 285. Any insurance company not organized under the laws of this state, may appoint one or more general agents in this state, by resolution of its board of directors or managers, with authority to appoint other agents of the company in this state, a certified copy of which resolution shall be filed with the superintendent of insurance; and agents of such company, appointed by such general agents, shall be held to be the agents of such company as fully, to all intents and purposes, as if they were appointed directly by the company; and agents for any such company in this state may be appointed by the president, vice-president, chief manager, or secretary thereof, in writing, with or without the seal of the company, and when so appointed shall be held to be the agents for such company as fully as if appointed by the board of directors or managers in the most formal mode. [69 v. 32, § 20.]

Foreign insurance companies may appoint agents, etc.

SEC. 286. When any life insurance company, transacting the business of insurance within the state of Ohio, desires to discontinue its business, the superintendent shall, upon application of such company, or association, give notice of such intention in a paper published and having general circulation in the county in which such company or its general agency is located, at least once a week for six weeks, the expenses of publication to be paid by the company. After such publication, the superintendent shall deliver up to such company or association, the securities held by him belonging to it, on being satisfied by the exhibition of the books and papers of such company, or association, and on examination to be made by himself, or some competent disinterested person or persons, to be appointed by him, and upon the oath of the president or principal officer, and the secretary or actuary of the same, that all debts and liabilities of every kind are paid and extin-

Discontinuance of business by life insurance company.

guished, that are due, or may become due, upon any contract or agreement made with any citizen or resident of the United States; and the superintendent may also, from time to time, deliver up to such company, or association, or its assigns, any portion of said securities, on being satisfied that an equal proportion of the debts and liabilities, of every kind that are due, or may become due, upon any contract or agreement made with any citizen or resident of the United States, by said company, or association, has been satisfied; but the amount of securities retained by him shall not be less than twice the amount of remaining liabilities. [69 v. 32, § 22.]

Discontinuance of business and withdrawal of securities by insurance company other than life.

SEC. 286a. When any insurance company or corporation other than life, which has made, or hereafter shall make a deposit with the superintendent of insurance, intends to discontinue its business in Ohio, the superintendent shall, upon application of such company or corporation, give notice of such intention in three newspapers of general circulation in the state at least once a week for six weeks, the expense of such publication to be paid by the company. After such publication, and on being satisfied by the affidavit of the principal officers of the company and by an examination of the books and records of the company or corporation to be made by him or some competent disinterested person or persons by him appointed for that purpose, if such examination be by him deemed necessary, that all debts and liabilities of every kind that the deposit is made to secure, or that may become due on any policy issued to any resident or citizen of the state of Ohio, are fully paid off, satisfied and discharged, the superintendent shall deliver up to such company or corporation, or its assigns, the securities held by him belonging to it. [90 v. 103.]

Applicable to companies under laws of the United States.

SEC. 287. All the provisions of this chapter relating to insurance companies organized under the laws of any other state of the United States shall apply to any company organized under the laws of the United States for any of the purposes specified in this chapter; and all the provisions of this chapter relating to agents of companies organized under the laws of any state shall apply to the agents of such companies organized under the laws of the United States; and any violation of the provisions of this chapter by any person, or agent, in the employment of any such company, organized under the laws of the United States, shall subject the offender to the same penalties provided by this chapter for any violation of its provisions by persons acting for similar companies organized under the laws of any other state of the United States. [69 v. 32, § 23.]

Penalty for violation of statutory provisions relating to insurance companies.

SEC. 288. Any person who violates any of the provisions of this chapter, or of any insurance law of this state for the violation of which no penalty is elsewhere provided, shall be fined not more than one thousand dollars or

imprisoned not more than six months, or both. Any corporation, company or association violating any of the provisions of this chapter, or of any insurance law of this state for the violation of which no penalty is elsewhere provided, shall be liable to a penalty of not more than one thousand dollars nor less than one hundred dollars, to be recovered by action in the name of the state, and on collection paid to the superintendent of insurance to be covered by him into the state treasury. [82 v. 138, 91 v. 331.]

SEC. 289. The provisions of this chapter shall apply to individuals and parties, and to all companies and associations, whether incorporated or not, now or hereafter engaged in the business of insurance; and it is unlawful for any company, corporation, or association, whether organized in this state or elsewhere, either directly or indirectly, to engage in the business of insurance, or to enter into any contract substantially amounting to insurance, or in any manner to aid therein, in this state, without first having complied with all the provisions of this chapter. [69 v. 32, § 25.]

Insurance business unlawful except under provisions of this chapter.

CHAPTER 10.

LIFE INSURANCE COMPANIES.

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For what purposes companies may be formed.

Articles of incorporation—what to contain.

SECTION

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SECTION 3587. Any number of persons, not less than thirteen, may associate and form a company to make insurance upon the lives of individuals, and every insurance appertaining thereto, or connected therewith, on the mutual or stock plan, and grant, purchase, or dispose of annuities. [69 v. 150, § 1.]

SEC. 3588. Such persons shall file in the office of the secretary of state articles of incorporation, signed by them, setting forth their intention to form a company for the purposes named in this chapter, which articles shall comprise a copy of the charter they propose to adopt; and the charter shall set forth the name of the company, which shall not be the corporate name or title used to designate any fire, life, marine, or other insurance company already existing under the laws of this state, the place where it is to be located, the kind of business to be undertaken, the manner in which the corporate powers of the company are to be exercised, the number of directors or trustees, who must be stockholders or members, and which number may be increased at the will of the stockholders representing a majority of the stock, or of a majority of the members, to any number not

exceeding twenty-one, the manner of electing trustees or directors and other officers, a majority of whom shall be citizens of this state, and the time of such election, the manner of filling vacancies, the amount of capital to be employed, and such other particulars as may be necessary to explain and make manifest the objects and purposes of the company, and the manner in which it is to be conducted. [69 v. 150, § 4; 60 v. 75, § 1; 75 v. 557, § 1.]

SEC. 3589. When such articles are filed in the office of the secretary of state, and the name assumed by the company is not so nearly similar to the name of any other company organized in this state as to lead to confusion or uncertainty on the part of the public, the secretary of state shall submit the same to the attorney-general for examination, and if found by him to be in accordance with the provisions of this chapter, and not inconsistent with the constitution and laws of the United States and of this state, he shall certify to and deliver the same to the secretary of state, who shall cause the same, with the certificate of the attorney-general, to be recorded in a book to be kept for that purpose, and, upon application of the signers thereof, the secretary of state shall furnish to them a certified copy of such articles and certificate. [69 v. 150, § 5; 75 v. 557, § 1.]

Articles must be approved by the attorney-general.

SEC. 3590. When the signers of the articles of incorporation receive from the secretary of state a certified copy thereof, and desire to organize such company, they shall publish their intention in a paper published and having general circulation in the county in which the company is to be organized; and, when such publication has been made in such newspaper for six weeks, they may open books to receive subscriptions to the capital stock, keep such books open until the amount required by this chapter is subscribed, distribute the stock among the subscribers, if more than the necessary amount is subscribed, collect the capital, and complete the organization of the company. [69 v. 150, § 6.]

Notice of opening of books of subscription.

SEC. 3591. No joint stock company shall be organized under this chapter with a less capital than one hundred thousand dollars, and the whole capital shall, before proceeding to business, be paid in and invested in treasury notes, in stocks or bonds of the United States, in stocks or bonds of the state of Ohio or of any municipality or county thereof, or in mortgages on unincumbered real estate within the state of Ohio worth double the amount loaned thereon, exclusive of buildings. [70 v. 118, § 7; 91 v. 39.]

Capital of joint stock life company.

SEC. 3592. When a company organized under any law of this state requires, in the opinion of the board of directors thereof, a larger amount of capital than that fixed by its articles of incorporation, they shall, if authorized by the holders of two-thirds of the stock, file with the secretary of state a certificate setting forth the amount of such desired increase, and thereafter such company shall be entitled to have the increased amount of capital fixed by the certifi-

A company may increase its capital stock.

cate, and the same shall be invested as required by the preceding section. [69 v. 150, § 6.]

Deposit of securities to be made with superintendent.

SEC. 3593. Any company may invest its capital in the stocks, bonds, or mortgages mentioned in section thirty-five hundred and ninety-one, and change and invest the same, or any part thereof, in like manner, at pleasure; but no company shall commence business until it has deposited with the superintendent of insurance at least one hundred thousand dollars in the stocks, bonds, and mortgages aforesaid, or one or more of them, duly made or assigned to the superintendent in trust for the purposes mentioned in this chapter; and when any mortgage of real estate is assigned to the superintendent, the assignment shall be immediately entered in the records of the county in which the real estate is situate, the fee for the recording of which shall be paid by the company. [69 v. 150, § 8.]

Company may change such deposits and collect interest.

SEC. 3594. The superintendent of insurance shall hold such securities as security for policy-holders in the company; but, so long as any company so depositing continues solvent, he shall permit it to collect the interest or dividends on its securities so deposited, and from time to time to withdraw such securities, or any part thereof, on depositing with him other securities of the kinds heretofore named, and of equal value with those withdrawn. [69 v. 150, § 9.]

When company may commence business.

SEC. 3595. When the company is fully organized, and has deposited the requisite amount of securities as aforesaid, the superintendent shall, unless he find the name assumed by the company so nearly similar to the name of another company organized in this state as to lead to confusion or uncertainty on the part of the public, furnish the company with a certificate of such deposit, which, with a certified copy of the papers required by this chapter, when filed in the county recorder's office of the county wherein such company is located, shall be the authority to commence business and to issue policies, and the same may be used in evidence for and against the company in all actions. [69 v. 150, § 10; 75 v. 557, § 2.]

What kind of business company may do.

SEC. 3596. No company, organized under the laws of this state, shall undertake any business or risk, except as herein provided; and no company, partnership or association, organized or incorporated by act of congress, or under the laws of this or any other state of the United States, or by any foreign government, transacting the business of life insurance in this state shall be permitted or allowed to take any other kind of risks, except those connected with, or appertaining to making insurance on life or against accidents to persons, and granting, purchasing and disposing of annuities; nor shall the business of life insurance, or life and accident insurance, in this state be in any wise conducted or transacted by any company, partnership or association, which in this state, or any other state or country, makes insurance on marine, fire, inland, or any other risk, or does a banking or any other kind of business in connection with insurance. [69 v. 150, § 3; 71 v. 12, § 2; 85 v. 119.]

SEC. 3597*. Every company organized under the laws of this state shall have authority to reinsure any risk herein authorized to be undertaken; provided, that no such company shall have the right to reinsure its entire line of risks in another company or companies with a view to discontinuing its business, and that no such company shall be authorized to take or add to its liability the risks of another company, until the consent of all the policy-holders to the transfer of their policies has been procured, or an equitable settlement and the payment of the cash value of all policies, or contracts of every kind, has been made and certified to the auditor of state. [77 v. 267.]

Life insurance company may reinsure risks.

Not authorized to take risks of another company until consent of policy-holders is obtained.

SEC. 3598. A company organized under the laws of this state may invest its accumulations as follows, and may sell, change, or re-invest the same, or any part thereof, at pleasure :

How home companies may invest accumulations.

1. In United States, state, county, or city bonds, if the market value of the bonds at the date of purchase, is at least eighty per cent. of their par value.

2. In bonds and mortgages upon unincumbered real estate, the market value of which real estate is at least double the amount loaned thereon, exclusive of buildings, at the date of the investment; and the value of such real estate shall be determined by a valuation, made under oath, by two real estate owners, residents of the county where the real estate is located.

3. In loans upon the pledge of such bonds or mortgages, if the current market value of the bonds or mortgages is at least twenty-five per cent. more than the amount loaned thereon.

4. In loans upon its own policies, but not exceeding the reserve or present value thereof, computed according to the American experience table of mortality, with interest at four per cent., the same being the amount of debts of life insurance companies by reason of their outstanding policies in gross.

This section shall not prohibit any company from accepting any other assets than herein enumerated in payment of debts due the company; in order to protect its interests, or from acquiring real estate for its own use, or by foreclosure in accordance with the laws of the state. [75 v. 576, § 11.]

SEC. 3599. No company organized under the laws of this state shall purchase, hold, or convey real estate, except for the purposes and in the manner herein set forth, to wit :

What real estate they may acquire.

1. Such as is requisite for its immediate accommodation in the transaction of its business; or,

2. Such as has been mortgaged to it in good faith, by way of security for loans previously contracted, or for money due; or,

*Also see (Section 3591-13), Vol. 81, Ohio Laws, page 179.

3. Such as has been conveyed to it in satisfaction of debts previously contracted in the course of its dealings; or,

4. Such as it has purchased at sales upon judgments, decrees, or mortgages obtained or made for such debts. [69 v. 150, § 12.]

When real estate must be sold,

SEC. 3600. All such real estate acquired as aforesaid, and which is not necessary for the accommodation of a company in the convenient transaction of its business, shall be sold and disposed of within two years after the company acquires title to the same; and the company shall not hold such real estate for a longer period than herein mentioned, unless it procures a certificate from the superintendent of insurance that the interests of the company will suffer materially by a forced sale of such real estate, in which event the time for the sale may be extended to such time as the superintendent shall direct in the certificate. [69 v. 150, § 13.]

Certain actions authorized.

SEC. 3601. Actions may be maintained by any company formed under the laws of this state, against any of its members, officers, policy-holders, or stockholders, for any cause relating to the business of the company; and actions may be prosecuted and maintained by any member, stockholder, or policy-holder, or the heirs or legal representative of either, against the company, for losses which accrue on any risk, if payment be withheld more than two months after the losses become due. [69 v. 150, § 15.]

When dividends may be paid.

SEC. 3602. The directors, managers, or officers of any company organized under the laws of this state, shall not, directly or indirectly, make or pay any dividend, or pay any interest, bonus, or other allowances in lieu of dividend, to its stockholders, except from the surplus funds, after reserving therefrom an amount sufficient to reinsure all its outstanding risks and policies, estimating the value thereof by the table known as the American experience table, with interest at four per cent. per annum. [69 v. 150, § 16.]

Home companies must make annual reports to superintendent

SEC. 3603. The president or vice-president, and secretary or actuary, or a majority of the directors, of each company organized under the laws of this state, shall, annually, on the first day of January, or within sixty days thereafter, prepare, under oath, and deposit in the office of the superintendent of insurance, a statement showing the condition of the company on the thirty-first day of December then next preceding, exhibiting the following facts and items, in the following form, to-wit:

1. The number of policies issued during the year.
2. The amount of insurance effected thereby.
3. The amount of premiums received during the year.
4. The amount of interest, and all other receipts, specifying the items.

5. The amount paid to policy-holders of the company for losses during the year.

6. The amount of all other expenditures and disbursements of the company, specifying such items as the superintendent may call for.

7. Amount of losses unpaid.

8. Whole number of policies in force.

9. Amount insured thereby.

10. Amount required to reinsure all policies in force, estimating the same by the table known as the American experience table of mortality, with interest at four per cent. per annum.

11. Amount of capital stock, specifying amount paid and unpaid.

12. Amount of dividends unpaid; also amount of all other liabilities.

13. A detailed statement of all the assets of the company, and the manner of their investment.

14. An exhibit of the policy obligations of the company, which shall include, in the first annual statement, a schedule showing the number, date, age, when insured, amount insured, term of policy, and term of premium, of all policies then in force, and in every succeeding annual statement, a schedule of the foregoing items as to all policies issued during the year, and a similar schedule as to policies which have ceased to be in force during the year. [70 v. 118, §17.]

SEC. 3604. No company organized by act of congress or under the laws of any other state of the United States, shall transact any business of insurance in this state until it procures from the superintendent of insurance a certificate of authority to do so; nor shall any person or corporation, directly or indirectly, act as agent in this state for any such company, either in procuring applications for insurance, taking risks, or in any manner transacting the business of insurance, until such person or corporation procures from the superintendent of insurance a license so to do, in which the superintendent shall state that the company has complied with all the requirements of this chapter applicable to such company, and deposits a certified copy of such license in the office of the recorder of the county in which the office or place of business of such agent is established; nor shall any such company take risks or transact any business of insurance in this state, unless possessed of the amount of actual capital required of similar companies organized in this state under the provisions of this chapter, nor unless the entire capital stock of the company is fully paid up, and invested as required by the laws of the state where organized; but if the company is a mutual company, actual cash assets, of the same amount and description, invested and deposited as required by the laws of the state where it was organized, shall be accepted in lieu of capital stock. [75 v. 572, § 18.]

Companies organized by congress or in other states must procure license.

Deposit with
superintendent
of insurance or
other officer.

SEC. 3605. No such company shall transact any business of insurance in this state unless at least one hundred thousand dollars of its assets are invested in the interest paying bonds or stocks of the United States, or of this state or of any municipality or county thereof, or the interest paying state bonds or stocks of some other state of the United States, of the market value of one hundred thousand dollars in the city of New York, or in bonds and mortgages on unincumbered real estate in this state, or in the state under the laws of which it was organized, of at least double the value of the amount loaned thereon, and such bonds and mortgages are deposited with the superintendent of insurance of this state, or the chief financial or other officer of the state in which such company was organized, designated by the laws of such state to receive the same; and if such bonds and mortgages are deposited with the superintendent of insurance or other officer of another state, the superintendent of insurance of this state shall be furnished with the certificate of such state officer, under his hand and official seal, that he, as such officer, holds in trust and on deposit, for the benefit of the policy-holders of such company, the securities above mentioned, giving the items of such securities, and stating that he is satisfied such securities are worth at least one hundred thousand dollars. [75 v. 572, § 18; 91 v. 39.]

Must file copy
of charter, and
a statement.

SEC. 3606. Such company shall also file with the superintendent a certified copy of its charter, or deed of settlement, together with a statement, under the oath of the president, vice-president, or other chief officer or manager, and the secretary of such company, stating the name of the company, the place where it is located, and the amount of its capital, with a detailed statement of all the facts required in the annual statement required of companies organized under this chapter, except as to statement required by item fourteen, section thirty-six hundred and three, which statement shall be filed by such company only when required by the superintendent of insurance for the purposes of actual valuation, as provided by the insurance laws of this state; also a copy of its last annual report, if any was made. [75 v. 572, § 18.]

Must also file a
waiver.

SEC. 3607. Any such company desiring to transact any such business in this state, by an agent, shall file with the superintendent of insurance a written instrument, duly signed and sealed, authorizing any agent of such company in this state to acknowledge service of process for and in behalf of the company in this state, and consenting that the service of process, mesne or final, upon any such agent, shall be taken and held to be as valid as if served upon the company according to the laws of this or any other state or government, and waiving all claims or right of error by reason of such acknowledgment of service, and that if suit be brought against it after it ceases to do business in this state, and it has no agent in the county in which suit is

brought upon whom service of process can be had, as provided in section thirty-six hundred and seventeen, service upon it shall be had by the sheriff mailing a copy of the summons or other process, postage prepaid, addressed to it at the place of its principal office located in the state where it was organized, or, if it is a foreign insurance company, to such company at the place of its principal office in the United States, at least thirty days prior to the date of taking judgment in the suit; but the sheriff's return shall show the time and manner of such service. [75 v. 572, § 18.]

SEC. 3608. Every such company doing business in this state shall, annually, file a statement of its condition and affairs in the office of the superintendent of insurance, and in the form and manner required of similar companies organized under the laws of this state; provided, that in such statement no such item as "all other expenditures," or "incidentals," shall be allowed or recognized; but that every item of disbursement or expenditure shall be clearly and distinctly stated and classified when required by the superintendent of insurance, and for the protection of the interests of policy-holders in this state, as provided by the laws of this state, and any such company issuing policies on tontine or semi-tontine plan, or which claims to be mutual as to its profits to residents of this state, shall, after the payment of the first premium thereon, and not more than sixty days and not less than ten days prior to the maturity of each and every premium, thereafter in writing notify every such policy-holder, namely the person whose life is insured or the assignee of said policy, if said company has been notified of said assignment, and the address of said assignee given residing in this state, of the time of payment of such premium, and proof of the depositing of said notice to said policy-holder or assignee in the post office by said company or its agent, postage prepaid to the last address as given by said policy-holder or said assignee to said company shall be conclusive proof of the serving of said notice, and shall set forth fully in said notice the amount of dividend belonging to said policy, when requested by the policy-holder if the same be a participating policy, and at the end of the tontine or semi-tontine period of each policy, the company issuing the same shall make a statement to the policy-holder of all the dividends and profits accruing to said policy, and from what sources the same has been derived. [S. & S. 223; 69 v. 150 § 20; 88 v. 307.]

Must file annual statement.

Tontine and semi-tontine companies must notify policy-holders of time of payment of premium.

Statement at end of period.

SEC. 3609. If such annual statement be satisfactory evidence to the superintendent of insurance of the solvency and ability of the company to meet all its engagements at maturity, and that the deposit is maintained as above required and provided, he shall issue renewal certificates of authority to the agents of the company, certified copies of which shall be filed in the recorder's office of the county wherein the agency is located, and which renewal certificates shall be the authority of such agents to issue new policies in this state for the ensuing year. [69 v. 150, § 21.]

Renewal certificates of authority.

Foreign companies must make deposit, and appoint agent for service.

SEC. 3610. No person shall act in this state, as agent or otherwise, in receiving or procuring applications for life insurance, nor in any manner aid in transacting the business of any company, partnership, or association, incorporated by or organized under the laws of any foreign government, until such company, partnership or association deposits with the superintendent of insurance, for the benefit of the policy-holders of the company, partnership, or association, who are citizens or residents of the United States, securities to the amount of one hundred thousand dollars, of the kind required for similar companies of this state, executes a waiver as provided in section thirty-six hundred and seven and appoint an agent or attorney, in each county in this state in which the company establishes an agency, on whom process of law can be served, and files with the superintendent of insurance a duly certified copy of its charter, or deed of settlement, and also a duplicate original copy of the letter or power of attorney of such company, partnership or association, appointing the attorney thereof, which appointment shall continue until another attorney is substituted. [69 v. 150, § 22]

Annual and other statement to be filed.

SEC. 3611. Such company, partnership or association shall also file a statement of its condition and affairs in the office of the superintendent of insurance, in the form and manner required for the annual statements of similar companies organized under the laws of this state, and shall, annually, on the first day of January, or within sixty days thereafter, file with the superintendent of insurance a statement of all its affairs, in the manner and form required of similar companies of this state, except as to the requirements of schedule of item fourteen, section thirty-six hundred and three, which schedule shall be filed only when required by the superintendent for purposes of actual valuation, as provided by the laws of this state. [69 v. 150, § 24.]

Supplementary statements.

SEC. 3612. Such annual statement shall be accompanied by a supplementary statement, duly verified by the attorney or general agent of the company, partnership, or association in this state, giving a detailed description of the policies issued, and those which have ceased to be in force, during the year, the amount of premiums received, and claims and taxes paid in this state and the United States for the year ending on the thirty-first day of December; and the supplementary statement shall also contain a description of the investments of the company, partnership, or association in this country, and such other information as may be required by the superintendent of insurance. [69 v. 150, §§ 25, 26.]

Renewal certificate of authority.

SEC. 3613. If the annual statement be satisfactory evidence to the superintendent of the solvency and ability of the company, partnership, or association to meet all its engagements at maturity, he shall issue renewal certificates of authority to the agents of the company, partnership, or association, certified copies of which shall be filed by such

agents in the recorder's office of the county where the agency is located, and which renewal certificates shall be the authority of such agents to issue new policies in this state for the ensuing year. [67 v. 150, § 26.]

SEC. 3614. No person, company, or corporation shall, directly or indirectly, act as agent for any such company, partnership, or association, either in procuring applications for insurance, taking risks, or in any manner aiding in the transaction of the business of life insurance in this state, until it procures from the superintendent a certificate of authority, which shall be renewable annually, stating that the requirements of this chapter as to such company, partnership, or association have been complied with, and setting forth the name of the attorney for such company, partnership, or association, a certified copy of which certificate shall be filed in the recorder's office of the county where the agency is to be established, and which shall be the authority of such company, partnership or association, and its agent, to do business in this state. [69 v. 150, § 27.]

Certificates of authority to act as agent.

SEC. 3615. If any company, partnership, or association organized without this state neglect or refuse to make such annual statements, all persons acting in this state as its agents, or otherwise, in transacting the business of insurance, shall be subject to the penalties provided by law in case of the failure of an insurance company, organized under the laws of this state to make an annual statement. [69 v. 150, § 28.]

Penalties for failure to make statements.

SEC. 3616. All licenses granted by the superintendent of insurance in pursuance of this chapter shall continue in force, unless suspended or revoked, until the first day of April of the year next after the date of their issue. [69 v. 150, § 19.]

Duration of licenses.

SEC. 3617. If any company, partnership, or association organized under the laws of any other state or government, cease to do business in this state according to law, it shall appoint, in the manner herein provided for, in every county wherein an agency existed at the date of such discontinuance, one or more agents for the purpose of receiving service of process in all actions upon policies of insurance issued to the citizens of this state while it was lawfully transacting the business of insurance in this state, and service of process upon such agents, in such actions, shall be held to be as valid as actual service upon the company, partnership, or association; and, in every case where no such agent is appointed, the agent last designated and acting for the company, partnership, or association, shall be deemed and taken to be duly authorized by it to receive service of process as aforesaid; but the officer who serves such process shall also send a copy of the process served on the agent, by mail, to the address of such company, partnership, or association, at the place of its principal or home office at the time it ceased to do business in this state, and the return of such officer upon such process shall distinctly show

When foreign companies must appoint agents to receive service.

that such copy was mailed as aforesaid, at least thirty days before any judgment shall be rendered in such action. [69 v. 150, § 19.]

Who are agents to receive service.

SEC. 3618. If any such company, partnership, or association cease to transact business in this state according to the laws thereof, the agents last designated, or acting as such for it, shall be deemed to continue agents for it, for the purpose of serving process, and for commencing actions upon any policy or liability issued or contracted while it transacted business in this state; and service of such process upon any such agent, for the causes aforesaid, shall be deemed a valid service upon the company, partnership, or association. [69 v. 150, § 23.]

Companies may change securities, and collect interest.

SEC. 3619. Nothing in this chapter contained shall be construed to prevent the company, partnership, or association from collecting the interest on any securities deposited by it, so long as it continues solvent and complies with all the provisions of this chapter applicable to it, nor from exchanging them for other securities of equal value, and of the kind hereinbefore named, with the officers having them in trust as aforesaid. [75 v. 572, § 18.]

Authority to be withdrawn in certain case.

SEC. 3620. If any company, partnership, or association organized without the limits of this state, and doing business within this state, make an application for a change of venue, or to remove any suit or action to which it is a party, heretofore or hereafter commenced in any court of this state, to the United States district or circuit court, or to any federal court, the superintendent of insurance shall forthwith revoke and recall the license or authority to such company, partnership, or association, to do or transact business within this state; and no renewal or authority shall be granted to such company, partnership, or association for three years after such revocation, and it shall thereafter be prohibited from transacting any business in this state until again duly licensed and authorized. [75 v. 572, § 18.]

Policy-holders entitled to copies of applications.

SEC. 3621. Every person holding a policy of insurance issued by any company on the life of any person shall be entitled to be furnished by such company with a copy of any application or document, either written or printed, or both, held by such company, upon which such policy was issued, or which may affect the validity of the same; and the company, upon demand made for such copy, by the holder of such policy, or by any person upon whose life such policy was so issued, shall make, and forthwith furnish to such person, a certified copy of all such applications or friends' certificates, under the hand of the president, secretary, or other proper officer of the company, and under its seal. [74 v. 181, §§ 1, 3.]

Effect of failure to deliver copies.

SEC. 3622. If such company neglect or fail for thirty days from the time of such demand to furnish to such person a copy of all such papers as are mentioned in the preceding section, and as provided therein, it shall thereafter

be forever barred from setting up, by way of defense to any suit on such policy of insurance, any error or incorrectness, or fraud or misrepresentation of the person making the same, or any mistake therein whatever; and such application or other paper or document shall thereafter be taken and held, so far as the same may affect any claim under such policy, or any fund secured thereby, to be in all respects true and correct. [74 v. 181, § 2.]

SEC. 3623. Every company doing business in this state shall return with, and as part of any policy issued by it, to any person taking such policy, a full and complete copy of each application or other document held by it which is intended in any manner to affect the force or validity of such policy, and any company which neglects so to do shall, so long as it is in default for such copy, be estopped from denying the truth of any such application or other document; and in case such company neglect, for thirty days after demand made therefor, to furnish such copies, it shall be forever barred from setting up, as a defense to any suit on such policy, any incorrectness or want of truth of such application or other document. [74 v. 181, § 3.]

Copies of applications to accompany policies issued.

SEC. 3624. No company doing business in this state shall take any application, medical certificate, or other document, for insurance upon the life of any person, in cipher, or by character of any sort other than ordinary written or printed language; and any such application, medical certificate, or other document taken in violation of this section shall be held to be void and of no effect as against any person claiming under any policy of insurance issued thereon. [74 v. 181, § 4.]

Applications, etc., in cipher void.

SEC. 3625. No answer to any interrogatory made by an applicant, in his or her application for a policy, shall bar the right to recover upon any policy issued upon such application, or be used in evidence upon any trial to recover upon such policy, unless it is clearly proved that such answer is willfully false and was fraudulently made, that it is material and induced the company to issue the policy, and that but for such answer the policy would not have been issued; and, moreover, that the agent or company had no knowledge of the falsity or fraud of such answer. [75 v. 572, § 18.]

When a false answer is material.

SEC. 3626. All companies, after having received three annual premiums on any policy issued on the life of any person in this state, are estopped from defending upon any other ground than fraud, against any claim arising upon such policy by reason of any errors, omissions, or misstatements, of the assured in any application made by such assured on which the policy was issued, except as to age. [69 v. 150, § 32.]

When companies estopped from certain defenses.

SEC. 3627. All companies organized under any law of this state shall continue corporations for the purpose for which they were chartered, but subject to all the provisions,

This chapter applies to companies heretofore organized.

requirements, and penalties imposed on companies organized under this chapter, and entitled to all the benefits and privileges of this chapter. [69 v. 150, § 29.]

Husband may insure his life for benefit of wife and children.

SEC. 3628. Any person may effect an insurance on his life, for any definite period of time, or for the term of his natural life, to inure to the sole benefit of his widow and children, or of either, as he may cause to be appointed and provided in the policy; and the sum or net amount of insurance becoming due and payable by the terms of insurance shall be payable to his widow, or to his children, for their own use, as provided in the policy, exempt from all claims by the representatives and creditors of such person; but the amount of premium annually paid on such policy shall not exceed the sum of one hundred and fifty dollars, and, in case of such excess, there shall be paid to the beneficiaries named in the policy such portion of the insurance as the sum of one hundred and fifty dollars will bear to the whole annual premium, and the residue to the representatives of the deceased. [45 v. 53, § 1.]

Wife may insure life of husband.

SEC. 3629. Any married woman may, by herself, and in her own name, or in the name of any third person, with his assent as her trustee, cause to be insured the life of her husband, for her sole use, for any definite period, or for the term of his natural life, and if she survives such period or term, the amount of insurance becoming due and payable by the terms of the insurance shall be payable to her, to and for her own use, free from the claims of the representatives of the husband or of any of his creditors; a policy of insurance on the life of any person, duly assigned, transferred, or made payable to any married woman, or to any person in trust for her or for her benefit, whether such transfer is made by her husband or other person, shall inure to her separate use and benefits, and that of her children, independently of her husband or his creditors, or of the person effecting or transferring the same, or his creditors; and the amount of the insurance provided for in the preceding section, or this section, may be made payable, in case of the death of the wife before the period at which it becomes due, to his, her, or their children, for their use, as shall be provided in the policy of insurance, or to their guardian if under age; but if there are no children, upon the death of the wife such policy shall revert to and become the property of the party whose life is insured, unless it has been transferred as hereinafter provided; and if by its term, or a transfer thereof, a policy is payable to a married woman solely for her use, she may sell, assign or surrender the same, but the party whose life is insured shall concur in and become a party to the transfer; but if such policy be procured by any person with intent to defraud his creditors, an amount equal to the premium paid thereon, with interest, shall inure to the benefit of his creditors, subject, however, to the statute of limitation. [69 v. 150, § 30; 45 v. 53, §§ 2, 3; 76 v. 160, § 30.]

SEC. 3630. A company or association may be organized to transact the business of life or accident or life and accident insurance on the assessment plan, for the purpose of mutual protection and relief of its members, and for the payment of stipulated sums of money to the families, heirs, executors, administrators, or assigns of the deceased members of such company or association, as the member may direct, in such manner as may be provided in the by-laws, and may receive money either by voluntary donation or contribution, or collect the same by assessments on its members, and may accumulate, invest, distribute and appropriate the same in such manner as it may deem proper; that all accumulations and accretions thereon shall be held and used as the property of the members and in the interest of the members, and shall not be loaned to, used, appropriated, or invested for the benefit of any officer or manager of such company or association; and provided, that no company or association shall issue a certificate for a greater amount than such company or association shall be able to pay from the proceeds of one assessment; and such company or association shall not be subject to the preceding sections of this chapter. Associations organized under this section (3630) may change or amend their constitution or by-laws by the assent thereto in writing of a majority of the members, or by a majority of those present, in person or by proxy, at a meeting held for that purpose, thirty days' notice of such meeting having been given with the proposed changes in full by the acting president personally or by letter mailed to each member, provided, however, that such change shall not take effect or be in force until the same has been submitted to, and approved by the superintendent of insurance. Such associations may provide in their by-laws that there shall not be less than five nor more than fifteen trustees, whose term of office shall not be more than three years. If the term be made more than one year, the by-laws may provide for electing at the first election a portion of them for one year, a portion of them for two years and a portion of them for three years, and thereafter elections shall be for a term of three years. Such associations by their regulations or by-laws may provide for—

Mutual protection associations

Powers.

Accumulations and accretions.

Amendment of constitution or by-laws.

Trustees.

What by-laws and regulations may provide.

1. The time, place and manner of calling and conducting their meetings.
2. The number of members constituting a quorum.
3. The time of the annual election for trustees and the mode and manner of giving notice thereof.
4. The duties and compensation of officers.
5. The manner of election, or appointment, and tenure of office of all officers; the tenure of the trustees shall not be for more than three years, one-third of whom may be elected annually. The provisions of sections 3251 and 3252 shall not apply to associations organized under section 3630.
6. Provided, however, that nothing herein shall be construed to affect or impair the powers or franchises of

corporations, companies or associations heretofore organized under the provisions of original section 3630, or under the said section as heretofore amended; and provided also, that such companies or associations may avail themselves of the provisions of this act by amendment of their articles of incorporation as provided in section 3238a. [72 v. 23, § 3; 83 v. 161; 88 v. 251.]

Mutual aid associations annually to file with superintendent of insurance sworn statement of its transactions.

SEC. 3630a. That each corporation, company, or association now organized, or that may hereafter be organized, in pursuance of sections 3236 and 3238 of the act to revise and consolidate the general statutes of Ohio, passed June 20, 1879, or under any other law of this state, for the purpose of doing business under the provisions of section 3630 of said act, or for the purpose of doing such business as is contemplated by said section, shall, on the first day of January, each year, or within sixty days thereafter, deposit in the office of the superintendent of insurance a statement, under oath, of all its transactions for the year next preceding said first day of January, and the condition of its business at the close of said year, according to the printed blanks, which shall be prepared and furnished by the superintendent of insurance, showing, in detail, the transactions of each company or association, exhibiting the following facts and items in the following form, to-wit:

What such statements to contain.

1. Number of certificates or policies issued during the year.
2. The amount of the indemnity effected thereby.
3. Number of death-losses during the year.
4. Number of death-losses paid during the year.
5. Total amount received from death assessments during the year.
6. Total amount paid to certificate-holders or policy-holders for losses during the year.
7. Number of death-claims not due, but for which assessments have been made.
8. Number of losses for which assessments have not yet been issued.
9. Number of death-claims compromised or resisted during the year, and reasons for such compromise or resistance.
10. Does the association or company charge annual dues?
11. How much are the dues for one thousand dollars (\$1,000.00) of indemnity?
12. Does the association or company use the death assessments to meet its expenses, in whole or in part?
13. Amount of death assessments used to meet expenses during the year.
14. Do the certificates or policies issued by association or company guarantee a fixed amount to be paid, regard-

less of amount realized from assessments made to meet the same?

15. If so, state how the amount is guaranteed.

16. What security for such guarantee?

17. Does the association or company issue endowment certificates or policies, or undertake and promise to pay to members during life any sum of money or thing of value?

18. If so, how are these payments or promises provided for?

19. If by reserve, state the amount of reserve?

20. From what source is the reserve fund obtained?

21. How invested?

22. What guarantee or security have the certificate-holders for this reserve?

23. How many classes or divisions of endowment certificates or policies have the association or company?

24. How many years required for maturity of first class or division? How many years required for maturity of second class or division? How many years required for maturity of third class or division? How many years required for maturity of fourth class or division?

25. Number of certificates or policies in force in first class or division. Number of certificates or policies in force in second class or division. Number of certificates or policies in force in third class or division. Number of certificates or policies in force in fourth class or division.

26. Date of organization of association or company.

27. Number of certificates or policies lapsed during the year.

28. Whole number of certificates or policies in force at the beginning and end of the year.

29. The aggregate amount of certificates in force at the beginning of the year.

30. The aggregate amount of certificates lapsed during the year.

31. The aggregate amount of certificates in force at the end of the year.

32. Maximum, minimum, and average age of members received during the year.

33. Has the association or company any agents who have not given bonds?

34. In what state is the association doing business?

[77 v. 178.]

SEC. 3630*b*. Within ninety days after the passage of this act, each corporation, company, or association doing business in pursuance of said section 3630, shall report, under oath, to the superintendent of insurance, its transactions for the year 1879, on the form required to be furnished in the first section of this act. [77 v. 180.]

To make report
to superintendent
within
ninety days.

Failure to file statement to work for forfeiture of franchise.

Attorney-general to institute proceedings.

Superintendent of insurance may cause examination to be made.

Rules under which foreign associations may do business in this state

SEC. 3630*c*. Any such corporation, company or association which shall fail or refuse to file a statement or report, or whose treasurer fails to file a bond as required by this act, shall forfeit its right to do business, which forfeiture the superintendent of insurance shall enforce by proceedings in quo warranto; and it is hereby made the duty of the attorney general of the state to institute such proceedings, upon his request in writing. No such corporation, company or association issuing endowments, certificates or policies, or undertaking, or promising to pay members during life any sum of money, or thing of value, or certificate, or policy guaranteeing any fixed amount to be paid at death, except such fixed amount or endowments shall be conditioned upon the same being realized from the assessments made on members to meet them, shall be permitted to do business in this state, until they shall comply with the laws regulating regular mutual life insurance companies. [77 v. 180.]

SEC. 3630*d*. The superintendent of insurance may, whenever he has good reason to believe that the business of any such corporation, company, or association is not being legally and honestly conducted, or that such corporation, company, or association is exercising powers of franchises not conferred by law, cause an examination of its affairs to be made at the expense of such corporation, company, or association, by one or more disinterested persons, and at an expense not to exceed five dollars a day for each person so employed; and it, upon such examination, it shall appear that such corporation, company, or association is exercising powers or franchises contrary to law, the superintendent of insurance shall institute proceedings in quo warranto against the same, in the manner provided in section three of this act. [77 v. 180.]

SEC. 3630*e*. Any corporation, company or association organized under the laws of any other state of the United States to transact the business of life or accident or life and accident insurance on the assessment plan, shall, as a condition precedent to transacting business in this state, comply with the following conditions, to wit: Deposit with the superintendent of insurance (1) a certified copy of its charter or articles of incorporation; (2) a certificate from the insurance commissioner, or superintendent of its own state showing its authority to do such business; (3) a certificate from said commissioner or superintendent or other like authority of its own state that corporations, companies or associations of this state engaged in life or accident insurance on the assessment plan as the case may be, are, upon complying with the laws of said state, legally entitled to do business in such state; (4) a statement under the oath of its president and secretary or like officers, in the form by the superintendent of insurance required, of its business for the preceding year; (5) a certificate under the oath of its president and secretary, or like officers, that such corporation, company or association is paying, and for the twelve

months next preceding has paid the maximum amount named in its policies or certificates; (6) a copy of its policy or certificate, application and by-laws, which must show that the liabilities of the assured or members are not limited to fixed or artificial premiums; (7) evidence satisfactory to said superintendent that such corporation, company or association has accumulated and maintained a fund securely invested in securities permitted by the law of its incorporation, not less in amount than the proceeds of one periodical payment by, or an assessment on all certificate or policy-holders thereof, and that such fund is held solely for the benefit of certificate or policy-holders and can only be used for the purposes provided in the laws of the state where incorporated; provided, that said fund in the case of accident companies or accident associations shall not be less than five thousand dollars, and need not be more than ten thousand dollars; (8) that such corporation, company or association, except it be an accident insurance corporation, company or association, does not issue certificates or policies upon the life of any person more than sixty-five years of age, or upon any life in which the beneficiary named has not a legal insurable interest; provided, license to do business in this state, shall not be delivered to any such corporation, company or association until it shall have filed with the superintendent of insurance an appointment of an attorney within this state upon whom service of process may be had. The superintendent of insurance shall thereupon issue to such corporation, company or association a certificate of authority to transact its business in the state of Ohio, which said certificate of authority must be renewed annually, and it shall be the duty of the superintendent of insurance to refuse such certificate to any such corporation, company or association, when in his judgment such refusal will best promote the public interest; provided, that all decisions by him made shall be subject to review by courts of competent jurisdiction. And said authority shall be revoked whenever the superintendent of insurance on investigation or examination finds that such corporation, company or association is not paying the maximum amount named in its policies or certificates in full; that said corporation, company or association is transacting business fraudulently or illegally, or that the statement of its condition and affairs required under the provisions of this section are false and fraudulent, or for failure to file the annual statement; and upon such revocation, the superintendent shall cause notice thereof to be published for four weeks in some newspaper published in the county of Franklin, and no new insurance shall thereafter be written by such corporation, company or association, or any of its agents in this state; provided, that it shall be unlawful for any agent of such corporation, company or association to transact business in this state without being first regularly appointed thereby and being licensed by a certificate of authority issued by the superintendent of insurance. Each such corporation, company or association shall, annually thereafter, and on or before

Certificate of
authority to
transact busi-
ness.

Revocation of
certificate.

Annual state-
ment.

Fees to be paid
to superintend-
ent of insur-
ance.

Obligations to
be equal to those
imposed by
other states.

Companies and
associations
may do life and
accident busi-
ness on assess-
ment plan.

Penalties.

Where action
against such
associations
may be brought.

the first day of March, make and file in the office of the superintendent of insurance a statement in the form by said superintendent required of its business for the twelve months next preceding the thirty-first day of December. The fees to be paid by each such corporation, company or association to the superintendent for the authority to such corporation, company or association, and its agents under the license, granted by him to each corporation, company or association to transact business in the state of Ohio, shall be as follows: For filing copy of charter or articles of incorporation, twenty-five dollars; for filing each annual statement, twenty dollars; for issuing certificate of authority or license to company or association, one dollar; for issuing license to each agent, one dollar; for affixing seal and certifying any paper, one dollar. Provided, that any company or association may pay to the superintendent the sum of twenty five dollars for licenses to its agents for the year, and by so doing shall be entitled without further charge to licenses for as many agents as it may choose to appoint; provided, also, that when any other state or country shall impose any obligations in excess of those imposed by this act upon any such corporation of this state, a like obligation shall be imposed on similar corporations, and their agents, of such state or county doing business in this state; and provided, also, that such corporation, company or association in transacting business in this state, shall be subject only to section 3630 of the Revised Statutes and the section[s] supplementary thereto; and provided further, that such corporation, company or association shall be authorized to transact in this state the business of life or accident or life and accident insurance on the assessment plan, for the purpose of mutual protection and relief of its members, and for the payment of stipulated sums of money to the families, heirs, executors, administrators or assigns of the deceased members of such corporation, company or association as the member may direct, notwithstanding such corporation, company or association may have been organized on the assessment plan and authorized by the laws governing it to issue policies insuring lives on the plan of assessment upon surviving members without limitation. Whenever any officer or agent of any such corporation, company or association shall fail or neglect to comply with or violate any of the provisions of this act, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or by imprisonment in a county jail for not more than thirty days or both, at the discretion of the court. [80 v. 179, 180; 77 v. 178, 181; 88 v. 251.]

SEC. 3630. An action may be brought against any such corporation, company, or association, organized under the laws of Ohio, or against any such foreign corporation, company, or association doing business in Ohio, in any county of this state where such cause of action arises, and

summons may be issued and services had as provided in chapter six, subdivisions one and two, title one, part third, of the Revised Statutes of Ohio, the provisions of which chapter are hereby made applicable in such cases. [77 v. 181.]

SEC. 3630*g*. No such corporation, company or association shall issue a certificate or policy to any person, until such person has been first subjected to a thorough medical examination by a regularly educated physician and found to be a good risk, nor to any person above the age of sixty-five years, nor under the age of fifteen years. Any trustee, officer, agent or employe of any such corporation, company or association, who shall knowingly insure or cause or permit to be insured any person without that person's knowledge or consent, or any fictitious person or any person over sixty-five or under fifteen years of age, or any sickly or infirm person, or who shall issue a certificate or policy of insurance for any such corporation, company or association which has not complied with the laws of this state and received from the superintendent of insurance a certificate of such compliance, or who shall knowingly violate any of the provisions of section 3630, Revised Statutes, or the sections supplementary thereto, and any physician or other person who shall knowingly aid or abet in any manner any such trustee, officer, agent or employe in effecting such insurance, or insurance on his own life, shall be fined not more than one thousand dollars, nor less than one hundred dollars, or imprisoned not more than six months, or both. But the provisions of this supplementary section in respect to the age and medical examination of persons to whom certificates or policies shall issue, shall not apply to such corporations, companies or associations doing a purely accident business. [82 v. 138.]

Mutual protection associations and their agent; how restricted in the issue of policy; accident companies.

SEC. 3630*h*. The expenses of such corporations, companies, or associations shall be met by fixed annual payments, or by assessments made and designated to be for such expenses; but such assessments shall, in no case, be made or become a part of any assessments to pay a loss by death, and no part of the mortuary fund shall in any case be used to pay expenses. [80 v. 179.]

Expenses; how paid.

SEC. 3630*i*. Companies consisting of five or more citizens of Ohio may be organized under this chapter and section for the special purpose of insuring against accidental personal injury and loss of life, sustained while traveling by railroad, steamboat or other mode of conveyance, and making all and every insurance connected with accidental loss of life and personal injury, sustained by accident, of every description whatever, and against expenses and loss of time occasioned by injury or sickness, and on such terms and conditions, and for such periods of time, and confined to such countries and localities, and to such persons as from time to time may be provided in the by-laws of the company; and the expenses of such corporations, companies or

Companies for insuring against accidental personal injury and loss of life, and against expenses and loss of time occasioned by injury or sickness.

Expenses.

Expense, loss
and guaranty
funds.

Notice to per-
sons assessed.

Distribution to
certificate-hold-
ers.

Bond required.

Bond and secu-
rities required
of purely acci-
dent company.

associations, shall be met by fixed annual payments, payable quarterly or otherwise, or by assessments on the members, payable as may be provided in the by-laws; and on either plan there may be included in such payments or assessments, a certain per cent. thereof, to be fixed by the by-laws, which when collected, shall be credited on the books of the company to the expense fund, and the residue thereof shall be so credited to the fund to pay losses and create a reserve or guarantee fund for the payment of losses and liabilities, and said funds shall be kept separate, and shall never be interchanged or used for purposes other than those for which they were respectively collected as afore-said; provided, that the assessed shall be notified at the time of the collection of each payment the per cent. thereof that is collected to pay expenses, and the per cent. thereof that is collected to pay losses and create a guarantee fund; but nothing herein shall prevent the company from distributing to certificate-holders the surplus in the accident fund and the surplus arising from the reserve on lapsed and canceled certificates as provided in the by-laws of the company; and provided, that companies organized under the provisions of this section shall, before engaging in business as provided in this section, execute a bond in the sum of one hundred thousand dollars to the state of Ohio, with security to the acceptance and approval of the superintendent of insurance, for the use and benefit of all persons holding policies or certificates in such company, conditioned that such company shall credit on the books of said company all moneys received by them under the provisions of this section, keep the funds separate and not use or interchange them for purposes [other] than those for which they were respectively collected, and that they will apply and pay out said funds to and for the purposes provided for in this section, which bond, when so executed and approved, shall be deposited with and held by the superintendent of insurance. Provided further, that any corporation, company or association, organized for the purpose of doing a purely accident insurance business, and which corporation, company or association, creates a reserve or guarantee fund from the premiums collected by assessments or otherwise, as provided in the by-laws of the corporation, company or association, shall not be subject to the preceding part of this section, relating to the deposit of a bond in the sum of one hundred thousand dollars; but the treasurer of all such corporations, companies or associations shall, before commencing business, deposit with the superintendent of insurance a bond with approved securities, to the acceptance of said superintendent in the sum of ten thousand dollars, for the use and purposes provided for in the preceding portion of this section; and every such corporation, company or association shall invest, as provided in section 3598 of the Revised Statutes of Ohio, so much of the reserve or guarantee fund in excess of ten thousand dollars, as shall equal at least two and one-half per cent. of all premiums or assessments col-

lected from policies or certificates in force, on the last day of June and December of each year, until said reserve or guarantee fund shall be equal to two dollars for every five thousand dollars of insurance in force; securities for said reserve, as herein provided, shall be deposited with the superintendent of insurance on the last day of June and December of each year, or within thirty days thereafter, to be held by said superintendent for the benefit and protection of policy or certificate-holders. Provided, that if such corporation, company or association shall at any time cause all of its unexpired policies or certificates to be paid, canceled or reinsured, and all its liabilities under such policies or certificates thereby to be extinguished, or to be assumed by some other responsible company authorized to do business in this state, the superintendent of insurance shall, on application of such company, verified by the oath of its president or secretary, and on being satisfied by an examination of its books and of its officers, under oath, that all of its policies or certificates are so paid, canceled, extinguished or reinsured, deliver up to it such security. Any corporation, company or association, or officer thereof, violating any of the provisions of this section, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not less than one hundred dollars nor more than one thousand dollars or imprisoned in the county jail where said officer resides, for not less than thirty days nor more than one year, or both, at the discretion of the court. [84 v. 130; 91 v. 332].

Penalty.

SEC. 3631. No agent or officer of any such corporation, company or association shall be permitted to collect or receive any dues, assessments, or donations for or on account of the same, until he executes jointly, with two responsible sureties, a bond to the corporation, company, or association, to the approval of the trustees thereof, in such sum as they shall prescribe, conditioned for the payment of all such dues, assessments, and donations over to the proper officer of the company; and all receipts of any such company or association shall be paid into the hands of the treasurer thereof, who shall, before assuming the duties of his office, give bond in the sum of not less than ten thousand nor more than fifty thousand dollars, as the said superintendent may determine, with not less than three sureties, to be approved by the superintendent of insurance, and conditioned for the faithful accounting for and proper payment and disbursement to the legitimate purposes of the company or association of all the money thereof which comes into his hands. Said bond of the treasurer shall be examined as to its sufficiency, annually, and shall be renewed whenever the superintendent of insurance shall require, and, with the approval of the superintendent of insurance indorsed thereon, shall be filed with the secretarary of state. [72 v. 23, § 4; 77 v. 181.]

Agents of associations must give bond.

Certain associations not required to file statement with superintendent of insurance.

SEC. 8. This act shall not apply to any association of religious or secret societies, or to any class of mechanics, express, telegraph or railroad employes, or ex-union soldiers, formed for the mutual benefit of the members thereof and their families, exclusively; provided, that any such association or class which may become subject to the provisions of sections 3630a, 3630c and 3630d of the Revised Statutes of Ohio, may file with the superintendent of insurance notice in writing of such desire, signed by the president of such association or class, and attested by the secretary thereof; and thereupon such association or class shall become subject to all the terms and provisions of said sections 3630a, 3630c and 3630d of said Revised Statutes; the superintendent of insurance shall thereupon immediately provide such association or class with proper blanks for furnishing the statement of the condition of such association or class, as provided in said section 3630a, and such association or class shall make such report within sixty days thereafter, and thenceforward, annually, as in case of other insurance companies, which report shall be included by said superintendent of insurance in his annual tabulated report, in the same manner as the reports of other companies and subject to the fees prescribed in section 282 of the Revised Statutes of Ohio; provided further, that the treasurer of any association or class which shall avail itself of the benefits of this enactment shall be required to give bond in the same manner as is provided in section 3631, Revised Statutes of Ohio; said bond to be conditioned, approved and renewed, as provided in said section. [Sec. 8 of an act passed 1889, Mar. 14; 86 v. 89.]

Insurance companies forbidden to discriminate against persons of African descent in the rate of premiums.

(3631-1.) SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That no life insurance company now organized or doing business, or that may hereafter be organized and do business within this state, shall make any distinction or discrimination between white persons and colored, wholly or partially of African descent, as to the premiums or rates charged for policies upon the lives of such persons; nor shall any such company demand or require greater premiums from such colored persons than are at that time required by such company from white persons of the same age, sex, general condition of health and hope of longevity; nor shall any such company make or require any rebate, diminution or discount upon the sum to be paid on such policy in case of the death of such colored persons insured, nor insert in the policy any condition, nor make any stipulation whereby such person insured shall bind himself or his heirs, executors, administrators and assigns to accept any sum less than the full value or amount of such policy in case of a claim accruing thereon by reason of the death of such person insured, other than such as are imposed upon white persons in similar cases; and any such stipulation or condition so made or inserted shall be void.

(3631-2.) SEC. 2. Any such company which shall refuse the application of any such colored person for insurance upon such person's life, shall furnish such person with the certificate of some regular examining physician of such company who has made examination of such person, stating that such person's application has been refused, not because such person is a person of color, but solely upon such grounds of the general health and hope of longevity of such person as would be applicable to white persons of the same age and sex.

What shall be done when application of person of color is refused.

(3631-3.) SEC. 3. Any corporation, or the officer or agent of any corporation, violating any of the provisions of this act, either by demanding or receiving from such colored person such different or greater premium, or by allowing any discount or rebate upon the premiums paid or to be paid by white persons of the same age, sex, general condition of health and hope of longevity, or by making or requiring any rebate, diminution or discount upon the sum to be paid upon a policy in case of the death of such colored person insured, or by failing to furnish the certificate required by section second, shall, for each offense, be fined not less than one hundred nor more than two hundred dollars. But nothing in this act shall be so construed as to require any agent or company to take or receive the application for insurance of any person.

Penalty for violating this act.

(3631-4.) SEC. 1. That no life insurance company doing business in Ohio, shall make or permit any distinction or discrimination in favor of individuals between insureds of the same class and equal expectation of life in the amount or payment of premiums, or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of the contract it makes; nor shall any such company, or agent thereof, make any contract of insurance, or agreement as to such contract, other than is plainly expressed in the policy issued thereon; nor shall any such company or agent pay or allow, or offer to pay or allow, as inducement to insurance, any rebate of premium payable on the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever not specified in the policy contract of insurance.

Distinction or discrimination among insureds, contracts or agreements not expressed in policy or inducements to insure, unlawful.

SEC. 2. Every corporation which shall violate any of the provisions of this act shall be fined in any sum not less than one hundred dollars nor exceeding five hundred dollars, to be recovered by action in the name of the state, and the amount so recovered shall be paid into the county treasury for the benefit of the common school fund.

Penalty for violation by corporation.

SEC. 3. Every officer or agent of any such corporation who shall violate any of the provisions of this act, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined in any sum not less than one hundred dollars nor exceeding five hundred dollars, or imprisoned

Penalty for violation by officer or agent of corporation.

in the jail of the county not exceeding thirty days, or both, at the discretion of the court, and shall pay the costs of prosecution.

Revocation of
license for vio-
lation.

SEC. 4. It shall be the duty of the superintendent of insurance, upon being satisfied that any such corporation, or any agent thereof, has violated any of the provisions of this act, to revoke the license of the company, or agent, so offending, and no license shall be granted to such company, or agent, for one year after such revocation. [86 v. 220; 90 v. 345.]

CHAPTER 11.

INSURANCE COMPANIES OTHER THAN LIFE.

SECTION

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SECTION 3632. The articles of incorporation of a company formed for the purpose of insurance, other than life insurance, must be forwarded to the secretary of state, who shall submit the same to the attorney-general for examination, and if found by him to be in accordance with the provisions of this chapter, and not inconsistent with the constitution and laws of this state and of the United States, shall certify and deliver back the same to the secretary, who may reject any name or title of any company applied for when he deems the same similar to one already appropriated, or likely to mislead the public. [69 v. 140, § 1.]

SEC. 3633. Upon the approval of the articles by the attorney-general and the secretary of state, the secretary shall cause the same to be recorded and copied in the same manner as is provided in the preceding chapter, and a copy thereof to be deposited with the superintendent of insurance, who shall withhold from the company the certificate of authority if its name is so similar to the name of any other company as to mislead the public. [69 v. 140, § 2; 75 v. 557, §§ 1 and 2.]

Articles of incorporation to be approved by attorney-general.

To be recorded by secretary of state, and copy deposited with superintendent.

Capital joint-stock and mutual fire insurance companies must have.

Subscriptions to insurance in mutual companies.

Annual cash premiums collectable in advance by mutual companies

Contingent mutual liability for losses and expenses.

Mutual fire associations.

Books of subscription to stock.

Election of directors.

SEC. 3634.* No joint-stock fire insurance company and no joint-stock live stock insurance company, shall be incorporated under this chapter with a smaller capital than one hundred thousand dollars, which shall be divided into shares of one hundred dollars each; nor shall any company on the plan of mutual fire insurance be incorporated until not less than five hundred thousand dollars of insurance, in not less than two hundred separate risks, no one of which shall exceed \$5,000.00, have been subscribed and the premium thereon, for one year, paid in cash, aggregating not less than \$10,000.00 in cash, each subscriber agreeing, in writing, to assume a liability to be named in the policy, subject to call by the board of directors in a sum not less than three nor more than five annual premiums. And the same liability shall also be agreed to in writing by each subsequent subscriber or applicant for insurance, who is not a merchant or manufacturer. And each subscription before incorporation shall be accompanied by a certificate of a justice of the peace of the township or city where such subscriber resides, that the subscriber is, in his opinion, pecuniarily good and responsible to the extent of the contingent liability agreed to be assumed. Mutual fire insurance companies organized under this act may thereafter charge and collect in advance upon their policies a full annual premium in cash, but such policies shall not compel subscribers, insured or assured, to renew any policy nor pay a second or further annual or term premium. Any such company must in its by-laws, and must in its policies, fix by a uniform rule the contingent mutual liability of its members for the payment of losses and expenses; and such contingent liabilities shall not be less than three nor more than five annual cash premiums as written in the policy; but such liability shall cease with the expiration of the time for which a cash premium has been paid in advance, except for liability incurred during said time; but nothing in this section shall apply to associations for the mutual protection of their members against loss by fire heretofore or hereafter organized as provided in section 3686 of the Revised Statutes. [S. & S. 205; 75 v. 561 § 3; Rev. Stat. 1880; 85 v. 273; 88 v. 101.]

SEC. 3635. The persons named in the articles of incorporation, or a majority of them, shall be commissioners to open books for the subscription of stock in the company, at such times and places as they deem convenient and proper, and shall keep the same open until the full amount specified in the articles is subscribed. [69 v. 140, § 4.]

SEC. 3636. Within one month after the subscription books are filled, and the articles of incorporation filed with

* This act shall not affect companies now doing business on the premium note plan, unless they elect to discontinue with said notes and embody the contingent liability in the policy as herein provided; and said original sections 3634, 3648, 3650, 3651, 3652, 3654 and 3663 are hereby repealed. Provided, that said section shall remain in force as to all mutual companies now doing business, which do not elect to reorganize under the said sections as amended by this act.

For provisions affecting premium note companies see page —.

the secretary of state, a majority of subscribers to the stock shall hold a meeting for the election of not less than five nor more than twenty-one directors, who must be stockholders or members, and the number thereof may at any time thereafter be increased or diminished between the same limits, at the will of the stockholders representing a majority of the stock or a majority of the members; each member of a mutual company shall be entitled to one vote, and each stockholder in other companies shall be entitled to one vote for each share of stock he holds; and mutual companies may, if they so provide in their by-laws, elect directors for the term of three years, the term of office of one-third of the number elected to expire each year, and those who receive the highest number of votes at the first election to serve for the longest term. [70 v. 180, § 5; 60 v. 75, § 1.]

SEC. 3637. No company organized under this chapter, or incorporated under any law of this state, for the purposes provided in section thirty-six hundred and thirty-two, shall invest its capital, or any part thereof otherwise than in—1. United States bonds; 2. Ohio state bonds; 3. Bonds of a county, township, or municipal corporation in this state, issued in conformity with law; 4. Bonds and mortgages on unincumbered real estate within the state, worth fifty per cent. more than the sum loaned thereon, exclusive of buildings; 5. The stock of any national bank located in this state, organized under the provisions of an act of congress entitled "An act to provide a national currency, secured by the pledge of United States stocks, and to provide for the circulation and redemption thereof," approved February 25, 1863, and acts amendatory thereof and supplementary thereto; or, 6. First mortgage bonds of railroads within this state, upon which default in the payment of the interest coupons has not been made within three years previous to the purchase thereof. [70 v. 147, § 6.]

How company
must invest its
capital.

SEC. 3638. Funds accumulated in the course of business or surplus money over and above the capital stock of a company, may be loaned on or invested in the above-named securities, or, 1. Bonds and mortgages on unincumbered real estate within this state worth fifty per cent. more than the sum loaned thereon, exclusive of buildings, unless such buildings are insured in some company authorized to do business in this state, and the policy is transferred to a company making the investment; 2. Bonds of any state of the United States; 3. Stocks, bonds, or other evidences of indebtedness of any solvent, dividend paying institution incorporated under the laws of this or any other state, or of the United States except its own stock; or, 4. Negotiable promissory notes maturing in not more than six months from the date thereof, secured by collateral security through the transfer of any of the classes of securities above described in this or the preceding section, with absolute power of sale within twenty days after default in payment at maturity. [70 v. 147, § 6.]

How it may in-
vest its accumu-
lations.

Limitation on
the powers of
investment.

SEC. 3639. No company shall own more than one-fourth of the capital stock of any national bank, nor invest in nor loan on the stocks and bonds, both included, of any railroad company to an extent exceeding one-tenth of its own capital, nor in the aggregate shall the investment in and loan on all railroad property exceed one-fourth of its capital; not more than one-half of its capital shall be loaned on mortgage of real estate, as above provided for the investment of capital, and not more than one-tenth of the capital actually existing of any company shall be invested in a single mortgage; the current market value of all such stocks, bonds, or other evidences of indebtedness as above mentioned, in which the accumulations or surplus money over and above the capital stock of any insurance company may be loaned or invested, shall be at all times during the continuance of such loans at least twenty per cent more than the sum loaned thereon; and if any investment or loan be made in a manner not authorized by this chapter, the directors who make or authorize the same shall be personally liable to the stockholders for any loss occasioned thereby; but insurance companies organized under the laws of this state, now doing business, shall not be compelled to change any investment made in accordance with the acts heretofore passed regulating such companies. [70 v. 147, § 6.]

Examination
by the superin-
tendent.

SEC. 3640. When a company notifies the superintendent of insurance that the proceedings required by the preceding sections have been had, he shall make an examination of the condition of the company, and if he finds that the capital required of the company has been paid in, and is possessed by it in money, or in such stocks, bonds, and mortgages, as are required by this chapter, he shall so certify; or he may cause such examination to be made by some disinterested person specially appointed by him for the purpose, who shall certify his finding to the superintendent under oath; the signers of the articles of incorporation, or the officers of the company, shall also certify, under oath, that the capital exhibited is, bona fide, the property of the company; such certificates shall be filed in the office of the superintendent, who shall thereupon deliver to such company a certified copy thereof, which, on being placed on record in the office of the recorder of the county wherein the company is to be located, in a book provided for that purpose by him, shall be its authority to commence business and issue policies; and such certified copy of the certificates may be used in evidence for or against the company with the same effect as the original. [69 v. 140, § 7.]

Powers of com-
panies.

SEC. 3641. A company organized under this chapter may:

First—Insure houses, buildings and all other kinds of property against loss or damage by fire and lightning and tornadoes, in and out of the state, and make all kinds of

insurance on goods, merchandise and other property in the course of transportation, whether on land or water, or on any vessel or boat wherever the same may be.

Second—Make insurance on the health of individuals and against personal injury, disablement or death, resulting from traveling or general accidents by land and water; make insurance against loss or damage resulting from accident to property, from cause other than by fire or lightning; guarantee the fidelity of persons holding places of public or private trust, who may be required to, or do, in their trust capacity, receive, hold, control or disburse public or private moneys or property; guarantee the performance of contracts other than insurance policies, and execute [and] guarantee bonds and undertakings required or permitted in all actions or proceedings, or by law allowed.

Third—Make insurance on the lives of horses, cattle or other live stock against loss by death caused by accident, disease, fire or lightning, and against loss by theft and damage by accident; provided, that such company shall have a capital of one hundred thousand dollars, with at least twenty-five (25) per cent. of the capital stock paid up.

Fourth—Receive on deposit and insure the safe-keeping of books, papers, moneys, stocks, bonds and all kinds of personal property; lend money on bottomry or respondentia, and cause itself to be insured against any loss or risk it may have incurred in the course of its business, and upon the interest which it may have in any property by means of any loan which it may have made on mortgage, bottomry or respondentia, and generally to do and perform all other matters and things proper to promote these objects; but no company shall be organized to issue policies of insurance for more than one of the above four mentioned purposes, and no company organized for either one of said purposes shall issue policies of insurance of any other; provided, however, that no company, organized under the laws of this state to transact the business of guaranteeing the fidelity of persons holding places of public or private trust, or of executing and guaranteeing bonds and undertakings, as aforesaid, shall commence business until it has deposited with the superintendent of insurance two hundred thousand dollars in securities permitted by sections 3637 and 3638 of the Revised Statutes, which shall be held by said superintendent for the benefit and security of all the policy-holders of the company, and which shall not be received by the said superintendent at a rate above their par value; nor shall a company, organized under the laws of another state, be licensed to transact any such business in this state unless at least two hundred thousand dollars of its assets are invested in securities permitted by sections 3637 and 3638 of the Revised Statutes of this state, and such securities are deposited with the superintendent of insurance of this state, or the superintendent of insurance or other officer of the state in which such company was organized, designated by the laws of

Limitations.

Deposit required of guaranty companies.

such state to receive the same; and if such securities are deposited with the superintendent of insurance or other officer of another state, the superintendent of insurance of this state shall be furnished with the certificate of such state officer under his hand and official seal that he, as such officer, holds in trust and on deposit for the benefit of all the policy-holders of such company the securities above mentioned, giving the items of such securities, and stating that he is satisfied such securities are worth at least two hundred thousand dollars; and in addition to such certificate such company shall deposit and maintain with the superintendent of insurance of this state thirty thousand dollars for the purpose of paying any judgment obtained against them in this state, in securities as permitted by sections 3637 and 3638 of the Revised Statutes of this state, and the securities so deposited with the superintendent of insurance may be exchanged from time to time for other like securities, and so long as the corporation depositing the securities shall continue solvent and comply with the laws of this state it shall be permitted by the superintendent of insurance to collect the interest or dividend on such deposit; provided, also, that any company which shall execute any bond as surety under the provisions of this act shall be estopped in any proceeding to enforce the liability which it shall have assumed to incur, to deny its corporate power to execute such instrument or assume such liability. [S. & S. 229; 71 v. 65, § 8; Rev. Stat., 1880; 82 v. 185; 88 v. 101; 90 v. 157; 91 v. 138.]

Denial of corporate power barred.

Fire insurance companies may insure against lightning, explosions and tornadoes.

SEC. 3641a. All companies heretofore organized, or that may hereafter be organized, for the purpose of insuring against loss or damage by fire, may insure against loss or damage by lightning, explosions from gas, dynamite, gunpowder and other like explosions and tornadoes. [80 v. 170; 81 v. 93; 88 v. 304.]

Accident and guaranty companies may insure against accidents to employees, etc.

SEC. 3641b. A company heretofore organized or that may hereafter be organized to do business under clause 2 of section 3641a, chapter 11, title 2 of the Revised Statutes of Ohio, may make insurance to indemnify employers against loss or damage for personal injury or death, resulting from accidents to employees, or persons other than employees, subject, however, to the restrictions in said section provided; and, provided, that any company incorporated by or organized under the laws of any other state, or of a foreign government that is now doing business in this state by virtue of original section three thousand six hundred and forty-one b, shall, on or before the first day of April after the passage of this act, and any company incorporated by or organized under the laws of any other state or government that may desire to do business in this state, shall, before being authorized to transact such business, deposit with the superintendent of insurance, for the benefit and security of the policy-holders residing in this state, a sum not less than fifty thousand dollars, in bonds of the United States or the state of Ohio, or of any city, county, township or other municipality

Deposit required of foreign companies.

in the state of Ohio, which shall not be received by the superintendent at a rate above their par value; the securities so deposited may be exchanged from time to time for other like securities; so long as the company so depositing continues solvent and complies with the laws of this state it shall be permitted by the superintendent to collect the interest or dividends on such deposits. Said deposit shall be held by the superintendent of insurance for the benefit, security and protection of the policy-holders of the company residing within this state; and it shall be stipulated by the company that such deposit is made, and such sum set aside from the general assets for that purpose, the same to be held until all claims of policy-holders within this state are adjusted. Provided further, that the provisions of chapter two, title two of the Revised Statutes of Ohio, so far as the same may be applicable and not inconsistent with the provisions of this section shall apply to such companies organized under or incorporated by the laws of another state or government. [88 v. 304, 91 v. 352.]

SEC. 3641c. In all cases in which any bond, recognizance or undertaking is now, or hereafter may be required or permitted by law, with one or more sureties, the execution of the same or the guaranteeing thereof, as the case may be, as sole surety, shall be sufficient by a company authorized to guarantee the fidelity of persons holding places of public or private trust, to guarantee the performance of contracts other than insurance policies, and to execute and guarantee bonds and undertakings in actions or proceedings or by law allowed; and when so executed or guaranteed, shall be in all respects, a full and complete compliance with every requirement of law, ordinance, rule or regulation that such bond, undertaking or recognizance shall be executed or guaranteed by one surety or by two or more sureties, or that such sureties shall be residents or householders or freeholders; provided, however, that such company has complied, and continues to comply with the laws of this state relative to such companies, and with such requirements as to justification, as may be prescribed by the head of the department, court, judge or officer required to approve or accept the same, and provided, that such bond, recognizance or undertaking be approved by the head of department, court, judge or officer required to approve or accept the same. [88 v. 14; 90 v. 159.]

Sufficiency of bonds, recognizances and undertakings executed or guaranteed by companies.

SEC. 3642. The directors shall choose from their own number by ballot, a president, and shall fill all vacancies that may arise in the board, or in the presidency thereof; the board of directors, or a majority of them, when convened at the office of the company, may appoint a secretary and any other officers or agents necessary for transacting the business of the company, and pay such salaries and take such securities as they may judge reasonable; they may ordain and establish by-laws and regulations not inconsistent with the constitution and laws of this state and of the United States, as shall appear to them necessary for

Directors of insurance company to elect officers.

By-laws and regulations.

regulating and conducting the business of the company ; but no new by-laws or regulations shall take effect until the same has been approved by the state commissioner of insurance and a copy thereof has been filed in the office of said commissioner, and they shall keep full and correct records of their transactions which shall, at all times, be open to the inspection of the members or stockholders. [80 v. 41.]

Extent of liability under policy of insurance.

SEC. 3643. Any person, company, or association, hereafter insuring any building or structure against loss or damage by fire or lightning, by the renewal of a policy heretofore issued, or otherwise, shall cause such building or structure to be examined by an agent of the insurer, and a full description thereof to be made, and the insurable value thereof to be fixed by such agent ; in the absence of any change increasing the risk without the consent of the insurers, and also of intentional fraud on the part of the insured, in case of total loss, the whole amount mentioned in the policy or renewal upon which the insurers receive a premium shall be paid, and in case of a partial loss the full amount of the partial loss shall be paid ; and in case there are two or more policies upon the property, each policy shall contribute to the payment of the whole or the partial loss in proportion to the amount of insurance mentioned in each policy ; but in no case shall the insurer be required to pay more than the amount mentioned in its policy. [76 v. 26, § 1.]

When solicitor held to be agent of insurer.

SEC. 3644. A person who solicits insurance, and procures the application therefor, shall be held to be the agent of the party hereafter issuing a policy upon such application or a renewal thereof, anything in the application or policy to the contrary notwithstanding. [76 v. 26, § 2.]

How contracts to be evidenced.

SEC. 3645. All policies or contracts of insurance made or entered into by the company may be made either with or without the seal of the company ; and they shall be subscribed by the president or such other officer as may be designated by the directors for that purpose, and shall be attested by the secretary, and, when so subscribed and attested, they shall be obligatory on the company. [69 v. 140, § 11.]

Transfers of stock.

SEC. 3646. Transfers of stock may be made on the books of the company by any shareholder, or his legal representative, subject to such reasonable restrictions as the directors may, from time to time, make in their by-laws, and subject, also, to any provisions of the laws of this state relating to such transfers. [69 v. 140, § 12.]

How stock may be increased.

SEC. 3647. When a company organized under this chapter requires, in the opinion of the directors thereof, an increased amount of capital, they shall, if authorized by the holders of two-thirds of the stock, file with the secretary of state a certificate setting forth the amount of such desired increase, and thereafter such company shall be entitled to have the increased amount of capital fixed by such certifi-

cate; and the examination of securities composing the capital stock thus increased shall be made in the same manner as is provided in section thirty-six hundred and forty for capital stock originally paid in. [69 v. 140, § 13.]

SEC. 3648.* No fire insurance company organized under any law of this state shall make any dividend except from the surplus profits arising from its business, and in estimating such profits there shall be reserved therefrom:

Dividends to be payable from surplus profits only reservations therefrom.

First. A sum equal to fifty per cent. of the whole amount of premiums on unexpired risks and policies, which is hereby declared to be unearned premiums.

Second. All sums due the company on bonds and mortgages, bonds, stocks and book accounts, of which no part of the principal nor the interest thereon has been paid during the preceding year, and on which an action has not been commenced, or which, after judgment obtained thereon, has remained more than two years unsatisfied, and on which interest has not been paid; and

Third. All interest due and accrued, and remaining unpaid, for which the company does not hold securities as hereinbefore provided. Any dividend made contrary to the provision of this section shall subject the company which makes the same to a forfeiture of its charter, and (each) stockholder who receives it to a liability to the creditors of the company to the extent of the dividend received, besides the other penalties and punishments prescribed by law; but this section shall not prevent the declaration of scrip dividends by participating or mutual companies, yet no such scrip dividend shall be declared to an amount in excess of or be paid except from profits, after reserving all sums above provided, including the whole amount of premiums on unexpired risks; and the word "year" wherever used in this section, shall be construed to mean the calendar year, and the "profits" of a mutual insurance company are that portion of its cash funds not required for payment of losses and expenses nor set apart for any purpose required by law. Any such company may in its by-laws, provide for the accumulation of a permanent fund, by reserving a portion of the net profits, to be invested and be a reserve for the security of the insured. Such reservation shall not exceed twenty-five per cent. of said net profits; and when the sum so accumulated amounts to two per cent. of the sum insured by all policies in force, the whole of the net profits thereafter shall be divided among the insured at the expiration of their policies. The permanent fund so accumulated shall be used for the payment of losses and expenses, whenever the cash funds of the company in excess of an amount equal to its liabilities are exhausted; and whenever the said fund is drawn upon, the reservation of profits as aforesaid shall be renewed or continued until the limits of accumula-

Penalty for violations of this section.

Scrip dividends by participating or mutual companies

Interpretations of words "year" and "profits."

Accumulation of a permanent fund.

*See foot-note to Sec. 3634.

Rights of policy-holder after termination of policy.

tion as herein provided is reached; but within a reasonable time after the determination of any policy the owner thereof shall be entitled to receive, and shall be paid his pro rata share of all net profits not included in the aforesaid permanent fund, and a scrip dividend for his contribution to said fund. [S. & S. 209; 70 v. 147, § 14; Rev. Stat. 1880; 85 v. 273.]

What real estate company may hold.

SEC. 649. No company organized under this chapter shall purchase, hold, or convey real estate, except for the purposes and in the manner herein set forth, to wit:

1. Such as is requisite for its convenient accommodation in the transaction of its business; or,
2. Such as is mortgaged to it in good faith, by way of security for loans previously contracted, or for money due; or,
3. Such as is conveyed to it in satisfaction of debt previously contracted in its legitimate business, or for money due; or,
4. Such as is purchased at sales upon judgment, decree, or mortgages obtained or made for such debts.

No such company shall purchase, hold or convey real estate in any other case, or for any other purpose; and all such real estate as may be acquired as aforesaid, and which is not necessary for the accommodation of the company in the transaction of its business, shall be sold and disposed of within two years after the title thereto is acquired, unless the company procure a certificate from the superintendent of insurance that its interests will suffer materially by a forced sale thereof, when the sale may be postponed for such period as the superintendent shall direct in such certificate. [S. & S. 209; 69 v. 140, § 15.]

Liability of members of mutual companies to assessment.

SEC. 3650.* Every person who effects insurance in a mutual company, and continues to be insured, and his heirs, executors, administrators and assigns, shall thereby become members of the company during the period of insurance, and shall be bound to pay for losses and such necessary expenses as accrue in and to the company in proportion to the original amount of his deposit note or contingent liability; and the directors shall, as often as they deem necessary, settle and determine the sum to be paid by the several members thereof, and publish the same in such manner as they may choose, or as the by-laws prescribe, and the sum to be paid by each member shall always be in proportion to the original amount of such liability, and shall be paid to the officers of the company within thirty days next after the publication of such notice; provided, that whenever such company is not possessed of cash funds above its reinsurance reserve sufficient for the payment of incurred losses and expenses, it shall be deemed to have impaired its capital, and when such impairment shall exceed twenty-five per cent. of the reinsurance reserve required to be main-

Assessments; how made.

*See foot-note to Sec. 3634.

tained, it shall make an assessment for the amount needed to pay such losses and expenses upon its members liable to assessment therefor in proportion to their several liabilities, and to make good the reinsurance reserve; and no such company shall borrow money or create a debt, unless for the purpose of necessary office buildings, to continue beyond the period when such assessment may be collected and applied to the payment thereof, and no member shall be assessed for liabilities incurred prior to his membership. [69 v. 140, § 16; Rev. Stat. 1880; 79 v. 133; 85 v. 273.]

For what purposes a debt may be created.

SEC. 3651.* If a member neglect or refuse, for the space of thirty days after the publication of such notice, and after demand for payment, to pay the sum assessed upon him in [as his?] proportion of any loss as aforesaid, the directors may sue for and recover the whole amount of contingent liability, with cost of suit; but execution shall only issue for assessments and costs as they accrue, and every such execution shall be accompanied by a list of losses for which the assessment is made; and if the whole amount of such liability be insufficient to pay the loss occasioned by any fire or fires, the sufferers insured by the company shall receive, toward making good their respective losses, a proportional share of the whole amount of such liability, according to the sums by them respectively insured; but no member shall ever be required to pay for any loss occasioned by fire, or inland navigation, more than the whole amount of such liability. [69 v. 140, § 16; Rev. Stat. 1880; 85 v. 273.]

Enforcement of assessment.

Partial payment of loss.

SEC. 3652.* In actions for the recovery of assessments duly levied by the directors of any mutual fire insurance company of this state, or for money due on the liability of the members of any such company, the official statement of the president or secretary of such company, under seal, and sworn to, shall be received in court as evidence of the facts essential for making the same, and that such assessment, for the non-payment of which any such action is commenced, has been duly levied and notice thereof given. [S. & C. 352; 69 v. 35, § 1; Rev. Stat., 1880; 85 v. 273.]

How assessment and notice proved.

SEC. 3653. Every mutual company shall embody the word "Mutual" in its title, which shall appear upon the first page of every policy and renewal receipt, and every stock company shall express, upon the face of every policy and renewal receipt, in some suitable manner, that such policy or receipt is a stock policy or receipt; but neither class of companies doing business in this state shall issue any policy other than that appropriate to its class, except that any mutual company now doing business in this state, having net assets not less than two hundred thousand dollars invested as provided in section thirty-six hundred and thirty-seven, may issue policies either upon the mutual or stock plan, and may continue to do such kind of business

What kind of policies company to issue.

*See foot-note to Sec. 3634.

so long as its assets continue so invested, and may expose itself to loss on any risk or hazard, either by one or more policies, to an amount not exceeding five per cent. thereof. [69 v. 140, § 17.]

Annual statement of companies.

SEC. 3654. The president or vice-president and secretary of such [each] insurance company organized under any law of this or any other state, and doing business in this state, shall, annually, on the first day of January, or within thirty days thereafter, prepare, under oath, and deposit in the office of the superintendent of insurance a statement of the condition of such company on the thirty-first day of December then next preceding, exhibiting the following facts and items, and in the following form, namely:

First—The amount of the capital stock of the company, specifying the amount paid and unpaid.

Second—The property or assets held by the company, specifying:

1. The value of the real estate owned by such company, where it is situated and the value of the buildings thereon.

2. The amount of cash on hand and deposited in banks to the credit of the company, specifying in what banks the same is deposited.

3. The amount of cash in the hands of agents and in course of transmission.

4. The amount of loans secured by bonds and mortgages, which are first lien on real estate, and on which there is less than one year's interest due.

5. The amount of loans on which interest has not been paid within one year.

6. The amount due the company on which judgments have been obtained and the cash value thereof.

7. The amount of stocks in this state, the United States, of any city of this state, and of any other stocks owned by the company, specifying the amount, number of shares, and the par and market value of each kind of stock.

8. The amount of stock held as collateral security for loans, with the amount loaned on, and the par and market value of each kind of stock.

9. The amount of unpaid assessments on stock, premium notes or contingent liabilities.

10. The amount of interest due and unpaid and the amount of interest accrued but not due.

11. The amount of premium notes or contingent liabilities on which policies are issued.

12. The number of policies in force.

13. The amount insured under all policies in force.

14. The amount of premiums received thereon.

15. The amount and description of all other assets.

Third—The liabilities of the company, specifying:

1. The amount of losses due and unpaid.
2. The amount of claims for losses resisted by the company.
3. The amount of losses incurred during the year, including those claimed and not due, and those reported to the company upon which no action has been taken.
4. The amount of dividends declared and due and remaining unpaid.
5. The amount of dividends, either cash or scrip, declared but not due.
6. The amount of money borrowed and the security given for the payment thereof.
7. The amount required for reinsurance, being in stock companies, a sum equal to fifty per cent. of the whole amount of premiums on unexpired risks and policies; and in mutual companies a sum equal to fifty per cent. of the cash premiums received on unexpired risks and policies.
8. The amount of all other existing claims against the company.

Fourth—The income of the company during the preceding year, specifying:

1. The amount of cash premiums received.
2. The amount of notes or contingent assets received for premiums.
3. The amount of interest money received.
4. The amount of income received from other sources.

Fifth—The expenditure during the preceding year, specifying:

1. The amount of losses paid during the year, stating how much of the same accrued prior and how much subsequent to the date of the preceding statement, and the amount at which losses were estimated in each preceding statement.
2. The amount of dividends paid during the year.
3. The amount of expenses paid during the year, including commissions and fees to agents and officers of the company.
4. The amount paid for taxes.
5. The amount of all payments and expenditures.
6. Amount of scrip dividends declared.

Every mutual fire insurance company created by or organized under any general or special law or act, and doing business in Ohio under any law of this state, upon or without the premium note plan, which shall, by its policy, by-laws or published statements of its financial affairs, claim the benefit of the guarantee fund, or the contingent liability of its policy-holders, as provided for in section 3634 of the Revised Statutes, as now in force, shall be held as having organized under the laws of this state as now in force, and be governed by all the provisions thereof as applicable to such companies; and every such mutual fire insurance com-

Certain mutual
fire insurance
companies.

pany that shall neglect or refuse to make and forward to the superintendent of insurance such annual report of its affairs as is required by law, or shall refuse to allow or permit the superintendent of insurance free access to its books and papers, and investigate the financial standing of such company, the charter of every such company organized under the laws of this state as aforesaid, and so neglecting and refusing, shall thereby become forfeited, and the said superintendent of insurance shall proceed without delay to bring the affairs of such company to a close. [S. & S. 211; 70 v. 147, § 18; Rev. Stat., 1880; 85 v. 273; 88 v. 308; 90 v. 157; 91 v. 211.]

Special statement of certain companies.

SEC. 3655. The statement of any such company, the capital of which is composed in whole or in part of notes, shall, in addition to the foregoing, exhibit the amount of notes which originally formed the capital, and also what proportion of such notes is still held by the company and considered capital; and every company organized under any law of this state which fails to make and deposit such statement, or to reply to any inquiry of the superintendent, with respect to such statement, shall be subject to a penalty of five hundred dollars, and an additional five hundred dollars for every month that it continues thereafter to transact any business of insurance, to be recovered by action in the name of the state, and on collection, paid into the state treasury for the benefit of the state common school fund; and the attorney general, on the request of the superintendent of insurance, shall institute such action against any company so delinquent, in the court of appropriate jurisdiction in Franklin county, or in the court of appropriate jurisdiction of the county in which said company is located or has its principal place of business, as he prefers. [69 v. 140, § 19; 83 v. 416; 84 v. 5.]

Foreign companies, associations and partnerships excluded.

Certificate of authority.

License of agent.

SEC. 3656. No company, association or partnership, incorporated, organized or associated under the laws of any other state of the United States, or of any foreign government, for any of the purposes mentioned in this chapter, which does a banking or any other kind of business in connection with insurance, shall, directly or indirectly, transact any business of insurance in this state, nor shall any such company, association or partnership do any such business in this state until it procures from the superintendent a certificate of authority so to do; nor shall any person or corporation act as agent in this state for any such company, association or partnership, directly or indirectly, either in procuring applications for insurance, taking risks or in any manner transacting the business of insurance, until it procures from the superintendent a license so to do, stating that the company, association or partnership has complied with all the requirements of this chapter applicable to such company, and depositing a certified copy of such license in the office of the recorder of the county in which the office or place of business of such agent or agents is established;

nor shall any company, association or partnership organized under the laws of any other state, take risks or transact business of insurance in this state, directly or indirectly, unless possessed of the amount of actual capital required by similar companies formed under the provisions of this chapter, nor unless the capital stock of the company is paid up and invested as required by the laws of the state where it was organized, and if a live stock insurance company has deposited in such state or in this state, for the benefit of its policy-holders, securities approved by the insurance department of such state in an amount equal to one-fourth of its entire capital stock; but if the company is a mutual fire insurance company, it shall have actual cash assets of the same amount and description as is required of mutual fire insurance companies of this state, after organization, invested as required by the law of the state where such company was organized, and such companies must have either premium notes or contingent liability of the same amount as is required of similar fire insurance companies of this state, which contingent liability may be either in writing or be expressed in the policies issued by such company. [70 v. 147, § 1; 75 v. 572, § 20; 88 v. 340; 91 v. 138.]

Capital stock.

Deposit by live stock company.

Mutual fire company.

SEC. 3657. Any such company desiring to transact any business by an agent in this state, shall file with the superintendent a written instrument, duly signed and sealed, authorizing any agent of the company in this state to acknowledge services of process in this state for and in behalf of the company, consenting that service of process, mesne or final, upon any such agent, shall be taken and held to be as valid as if served upon the company according to the laws of this or any other state or country, waiving all claim or right of error by reason of such acknowledgment of service, and consenting that suit may be brought against it in the county where the property insured was situate, or where the same was insured, and that service of process made therein by the sheriff of such county, by sending a copy thereof by mail, addressed to the company at the place of its principal office located in the state where it was organized, or, if it is a foreign company, to such company at the place of its principal office in the United States, at least thirty days prior to taking judgment in such suit, shall be as valid as if personally made upon the company according to the laws of this state, or any other state or government, and that if suit be brought against it after it ceases to do business in this state as aforesaid, and there be no agent of the company in the county in which suit is brought upon whom service of process can be had, service upon it may be had by the sheriff sending a copy thereof, mailed as aforesaid, and within the time aforesaid; but the sheriff's return shall show the time and manner of such service. [75 v. 572, § 20.]

The waiver companies must file.

SEC. 3658. Every such company, association or partnership shall also file with the superintendent a certified

Must also file statement.

copy of its charter, or deed of settlement, together with a statement, under the oath of its president or vice-president, or other chief officer, and the secretary of the company.

Revocation of
license of for-
eign insurance
company other
than life.

SEC. 3659. If any such company, association or partnership doing business within this state make an application for a change of venue, or to remove any suit or action wherein such company has been sued by a citizen of this state, now pending, or hereafter commenced in any court of this state, to the United States district or circuit court, or to any federal court, or shall enter into any compact or combination with other insurance companies, or shall require their agents to enter into any compact or combination with other insurance agents or companies, for the purpose of governing or controlling the rates charged for fire insurance on any property within this state (provided that nothing herein shall prohibit one or more of such companies from employing a common agent or agents to supervise and advise of defective structures, suggest improvements to lessen the fire hazard, and to advise as to the relative value of risks), the superintendent of insurance shall forthwith revoke and recall the license or authority to it to do or transact business within this state, and no renewal of authority shall be granted to it for three years after such revocation; and it shall thereafter be prohibited from transacting any business in this state until again duly licensed and authorized. [75 v. 572, § 20; Rev. Stat. 1880; 88 v. 485.]

Deposit with
superintendent
of insurance.

SEC. 3660. A company incorporated by or organized under the laws of a foreign government shall deposit with the superintendent of insurance, for the benefit and security of the policy-holders residing in this state, a sum not less than one hundred thousand dollars in stock or bonds of the United States, or the state of Ohio or any municipality or county thereof, which shall not be received by the superintendent at a rate above their par value; the stocks and securities so deposited may be exchanged from time to time for other like securities; so long as the company, so depositing continues solvent and complies with the laws of this state, it shall be permitted by the superintendent to collect the interest or dividends on such deposits; and for the purpose of this chapter the capital of any foreign company doing fire insurance business in this state shall be deemed to be the aggregate value of its deposits with the insurance or other departments of this state and of the other states of the United States, for the benefit of policy-holders in this state or in the United States, and its assets and investments in the United States certified according to the provisions of this chapter; but such assets and investments must be held within the United States, and invested in and held by trustees, who must be citizens of the United States, appointed by the board of directors of the company and approved by the insurance commissioner of the state where invested, for the benefit of the policy-holders and creditors in the United States; and the trustees so chosen may take, hold and convey real and personal property for the purpose of the trust, sub-

Capital of fire
company.

ject to the same restrictions as companies of this state. [70 v. 147, § 21; S. & S. 212; 91 v. 39.]

SEC. 3661. Every company, other than a life company, organized by act of congress, or under the laws of any other state or government, shall, annually, at the time, and in the form and manner required of similar companies organized under the laws of this state, file a statement of its condition and affairs in the office of the superintendent of insurance; any company organized under or incorporated by any foreign government, shall also furnish a supplementary statement for the year ending on the preceding thirty-first day of December, verified by the oath of the manager of such company residing in the United States, which shall comprise a report of its business and affairs in the United States, as required from companies organized in this state, together with any other information that may be required by the superintendent of insurance; and if such annual statement be satisfactory evidence to the superintendent of insurance of the solvency and ability of such company to meet all its engagements at maturity, and that the deposit is maintained as hereinbefore provided, he shall issue renewal certificates of authority to the agents of the company, certified copies of which shall be filed in the recorder's office of each county wherein an agency is located, during the month of January in each year, or within sixty days thereafter, which certificates shall be the authority of such agents to issue new policies in this state for the ensuing year. [69 v. 140, § 22; S. & S. 213.]

All foreign companies must make annual statements.

SEC. 3661a. No insurance company, organized under the laws of this state, or admitted to do business in this state, shall, in any public advertisement, card, or circular, include in any statement of assets, any item of value, of a class or character not admitted by the superintendent of insurance of this state in the annual reports of said companies. And every such advertisement, card, or circular, containing a statement of assets, shall in all cases contain also a full statement of all the liabilities of said company, including the reinsurance reserve, which in no case shall be less than fifty per cent. on the gross premiums received on all unexpired risks. [77 v. 185.]

Fire insurance company to include in advertisement only assets admitted by superintendent of insurance.

SEC. 3661b. Any violation of this act, after the second notice from the superintendent of insurance of this state, shall render such company liable to a fine of one thousand dollars (\$1,000), and each subsequent violation to a similar fine; to be recovered for the benefit of the common school fund of the county, in an action to be instituted by the prosecuting attorney, in the name of the state of Ohio, against said company. [77 v. 185.]

Penalty.

SEC. 3662. Every company heretofore organized under any law of this state, for any of the purposes mentioned in this chapter, which has not called in the whole amount of its subscribed capital stock, whether the unpaid balance of such capital is secured by indorsed notes or otherwise, shall

Companies must apply dividends to stock notes.

retain from each and every dividend declared to its stockholders, their heirs or assigns, fifty per cent. of such dividend, and apply the amount so withheld as a credit upon the balance remaining unpaid on the shares of such stockholders, until such balance shall be fully paid; and the dividends, from time to time so credited, with the capital previously paid in, shall be invested by the company in the manner required by section thirty-six hundred and thirty-seven; but if the dividends so credited did not, by the first day of January, 1878, equal such balance in full, such company shall hereafter retain the whole amount of any and every dividend declared to its stockholders, their heirs or assigns, and shall credit and invest the same as aforesaid, until the whole subscribed capital, not less in any case than one hundred thousand dollars, shall be paid up and invested; and any company which violates any of the provisions of this section shall thereby forfeit its charter. [70 v. 147, § 23.]

Lien of mutual companies for premium notes.

SEC. 3663.* All buildings insured by any mutual company shall be pledged to such company, together with the right and title of the assured in the lands upon which they are situate, to the amount of the premium note or contingent liability, and the company shall have a lien thereon to the amount of such note or liability; but the lien of the company shall not take effect until the company files with the recorder of the county in which the property insured is situate, a certificate, stating the date, number and amount of premium note, or contingent liability, and such a description of the property insured as will enable any person readily to identify the same; the recorder shall record and index the certificate in his book of liens, for which he shall receive the sum of fifty cents; and all liens heretofore acquired by any such company shall continue in force under this chapter. [69 v. 140, § 24; Rev. Stat., 1880; 85 v. 273.]

Insured may require fire policy to be canceled.

SEC. 3664. Any fire insurance company doing business under the laws of this state which hereafter issues policies of insurance covering any property located in this state, and on such policies receives from the persons insured either cash payments of premium, or notes subject to assessment for payment of losses, or notes for the installments of premium, shall be required to insert in every policy so issued an obligation to cancel the policy at any time, upon the written request of the person insured, on conditions as provided in the following five sections. [75 v. 88, § 1.]

Rates of cancellation of cash policies.

SEC. 3665. When a policy issued on the cash plan is canceled, in accordance with the provisions of the preceding section, the companies so issuing may retain customary short rates as now established and charged by companies doing a cash business, for the time the policy has been in force, and return to the insured the unearned premium on the policy for unexpired time. [75 v. 88, § 2.]

* See foot note to Sec. 3634.

SEC. 3666. When policies issued on the mutual plan are canceled, as provided in section thirty-six hundred and sixty-four, the companies so issuing must surrender to the insured the note or notes received from the insured for premium or payment of losses; such policies shall first be sent to the secretary or agent of the company, and within sixty days after the receipt thereof for cancellation the premium note shall be returned; but the assured must first pay his proportion of all losses which have actually occurred up to the date when the policy was received for cancellation, and the company shall not be liable for any loss under any such policy after it is returned for cancellation. [75 v. 88, § 3.]

Rates of policies of mutual companies.

SEC. 3667. When policies issued on the installment plan are canceled, in accordance with the provisions of section thirty-six hundred and sixty-four, the companies so issuing may collect and receive of the insured customary short rates for the time the policy has been in force, to be computed on the full term of insurance mentioned in the policies as charged by such companies, and on receipt of such short rates must return all installment notes then unpaid, and refund to the insured any premium collected in excess of such short rates. [75 v. 88, § 4.]

Rates when premium is paid in installments.

SEC. 3668. When companies doing business under the laws of this state receive notes in consideration of premiums on their policies, they shall be required to insert on the face of each note the following words, to-wit: "It is hereby understood and agreed that this note is not transferable." [75 v. 88, § 5.]

Premium notes not negotiable.

SEC. 3669. When it comes to the knowledge of the superintendent of insurance, or any officer having charge of the insurance department of this state, that any provision of the five preceding sections has been violated, he shall at once proceed to make a thorough investigation, and, upon receiving sufficient proof of such violation shall revoke the certificate of authority of the company guilty of such violation. [75 v. 88, § 6.]

Superintendent to enforce certain provisions.

SEC. 3670. Companies may be organized for the special purpose of insuring persons against accidental personal injury or loss of life sustained while traveling by railroad, steamboat or other mode of conveyance, and making all and every insurance connected with the accidental loss of life, or personal injury sustained by accident, of every description whatever, and against expenses and loss of time occasioned by sickness or other disability, and on such terms and conditions, and for such periods of time, and confined to such countries and localities, and to such persons, as shall from time to time be provided for in the by-laws of the company; and when any company so organized desires to do business in any other state, by the laws of which, to qualify it therefor, it is required to make a deposit of securities assigned in trust for the benefit of its policy-holders with an officer of this state, it shall be, and hereby is made the duty of the state treasurer to receive such deposit, and issue therefor to such

Accident companies authorized. Deposit of securities for the purpose of doing business in another state.

company his receipt, giving a pertinent description of said securities and a certificate of the market value of the same; and he shall also issue a like certificate to the superintendent of insurance, who shall place the same on file in his office. Such company shall have the right to exchange said securities for other like securities, in whole or in part, as far as its business may require, and to wholly withdraw the same should it discontinue business in such other state; but all such changes or withdrawals of securities shall be at once duly certified by the treasurer to the superintendent of insurance. [82 v. 210; Rev. Stat., 1880; 62 v. 12 § 1; S. & S., 230.]

How companies
consolidate.

SEC. 3671. When any joint stock fire and marine insurance company of this state, heretofore organized, or that may hereafter be organized, determines by a vote of the holders of two-thirds of its stock to consolidate and make joint stock with any other like company or companies engaged in or incorporated for like business, and each of such companies agrees by the vote aforesaid to such consolidation, such companies may, by a vote of the holders of a majority of the stock so consolidated, choose and determine under which corporate organization or articles of association of the consolidating companies, and under what name, their future business shall be conducted; upon filing with the superintendent of insurance a certificate of such consolidation, the companies shall, from thenceforth, become and be consolidated under the corporate organization or articles of association and corporate name thus chosen; and thereupon, all franchises, rights, equities, property, and estate of whatever name or nature, belonging to or vested in either of the consolidating companies, shall, immediately, upon and by the act of such consolidation, become the property and estate of and be vested in such consolidated company, and the corporate existence of the consolidating companies shall cease, and be merged in the consolidation from thenceforth; and such consolidated company shall have the exclusive right and power to demand, sue for, collect, convey, and dispose of the rights, equities, property, and estate aforesaid, or any part thereof, under its own name chosen as aforesaid, and all debts, liabilities, and obligations of the consolidating companies shall be assumed and paid by the consolidated company. [70 v. 19, § 1.]

Distribution
of the stock of
consolidated
company.

SEC. 3672. Upon such consolidation of companies, the just and true value of each outstanding share of the capital stock of each of the consolidating companies shall, by their respective directors, be ascertained through a suitable valuation of all the assets and liabilities thereof at the time of the consolidation, and new shares of the consolidated company shall be apportioned to each stockholder, equal to the sum so ascertained to be the just and true value of his shares in each or either of the consolidating companies, and the shares thus apportioned shall be substituted for his original shares, and all certificates of shares in the consolidating companies shall be surrendered, when the new certi-

ificates of the shares so apportioned are issued; but any stockholder in either of the companies so consolidating who refuses to agree to such consolidation shall be entitled to receive for the stock by him owned the just market value of the same at the time of such consolidation, to be paid to him previous to such consolidation. [70 v. 19, § 2.]

SEC. 3673. Immediately upon the consolidation of such companies the directors of the several companies so consolidating shall proceed to elect, from their members, the directors for the consolidated company, who shall serve until their successors are elected and qualified. [70 v. 19, § 3.]

Election of directors.

SEC. 3674. The capital stock of such consolidated company may be equal to, but shall not, by virtue of such consolidation, exceed the aggregate authorized capital of the consolidated companies. [70 v. 19, § 4.]

Capital stock limited.

SEC. 3675. Within thirty days after such consolidation a certificate, setting forth the fact of the consolidation, and the name and organization adopted thereby, shall be filed in the office of the secretary of state. [70 v. 19, § 5.]

Certificate of consolidation must be filed with secretary of state.

Sections 3676, 3677, 3678, 3679, 3680, 3681, and 3682 are repealed. [77 v. 317.]

SEC. 3683. The court of common pleas in each county in which the office of any mutual fire insurance company is situate shall, on the application of any three or more persons interested, appoint one or more suitable persons, resident in such county, to make a thorough and careful examination into the affairs and condition of such company; the persons so appointed shall have power to require the production of all books and papers belonging to such company, or pertaining to its business, and to examine under oath all the officers, servants, or agents of the company, or any other person, touching its affairs and condition, which oath may be administered by any person appointed to make the examination, and they shall report thereon to the court, at its next regular term, in which they shall set forth in full the condition of the company, and transmit a copy of such report to the superintendent of insurance forthwith; and such examiners shall each receive two dollars per day for the time actually employed in making the examination and report, to be paid out of the treasury of the company examined; but such examination shall not be had oftener than once in six months. [56 v. 37, § 2; S. & C. 353; Rev. Stat., 1880.]

Examination of mutual fire companies.

SEC. 3684. If any such officer, servant, agent, or other person, fail or refuse to appear before such examiners, or refuse to testify, or to produce before them any book or papers in his possession, and required to be produced, such failure or refusal shall be deemed a contempt, and shall forthwith be reported to such court, which shall punish the person in contempt in the same manner and to the same extent as though such contempt had been committed against the court. [56 v. 37, § 2; S. & C., 353; Rev. Stat., 1880.]

Persons refusing to appear and testify are in contempt.

Certain bonds may be approved by probate judge.

SEC. 3685. Any insurance company which, by the terms of its charter, is required to have its official bonds approved by a judge of the court of common pleas, may, at its option, have the same approved by the probate judge of the county in which the office of the company is located. [54 v. 17, § 1; S. & C. 363; Rev. Stat., 1880.]

Mutual associations authorized for insurance against fire, lightning, cyclones, death of domestic animals, etc.

SEC. 3686. Any number of persons of lawful age, residents of this state, not less than ten in number, may associate themselves together for the purpose of insuring each other against loss by fire and lightning, cyclones, tornadoes, or wind storms; and may make, assess, and collect, upon and from each other, such sums of money, from time to time, as may be necessary to pay losses which occur by fire and lightning, cyclones, tornadoes, or wind storms, to any member of such association, and the assessment and collection of such sums of money shall be regulated by the constitution and by-laws of the association. [82 v. 71; 86 v. 377; Rev. Stat., 1880; 74 v. 66, § 1.]

Certificate of organization.

SEC. 3687. Such person shall make and subscribe a certificate setting forth therein:

First. The name by which the association shall be known.

Second. The place which shall be regarded as its center or business office.

Third. The object of the association, which shall only be to enable its members to insure each other against loss by fire and lightning, cyclones, tornadoes, or wind storms, and other casualties, and to enforce any contract which may be by them entered into, by which those entering therein shall agree to be assessed specifically for incidental purposes and for the payment of losses which occur to its members. [82 v. 71; 86 v. 377; 81 v. 185; Rev. Stat., 1880; 74 v. 66, § 2.]

When certificate to be filed.

SEC. 3688. The certificates shall be filed in the office of the secretary of state, and a copy thereof, duly certified by the secretary of state, shall be evidence of the existence and due incorporation of the association for the purposes therein named. [74 v. 66, § 3.]

Election of officers, etc.

SEC. 3689. When such certificate is so filed, and a copy thereof, so certified, forwarded to the association, the persons named therein shall elect their directors, and a president, secretary, and treasurer, and such other officers as may be necessary for the complete performance of all the business and objects of the association herein provided, to serve for one year; and such officers shall thereafter be chosen in such manner, and at such time as shall be fixed upon in the constitution; but directors shall not be chosen for a longer period than three years; and such association so organized shall be known and held to be a body corporate for all purposes aforesaid, and may sue and be sued, and plead and be impleaded, in all courts of law and equity, but in no instance shall the power to insure against losses by fire or tornadoes be exercised to other than members of the association. [74 v. 66, § 4; 83 v. 106.]

SEC. 3690. Every such association shall adopt such constitution and by-laws not inconsistent with the constitution and laws of this state or of the United States as will, in the judgment of its members, best subserve the interests and purposes of the association; and all persons who sign such constitution shall be considered and held to be members of the association, and shall be held in law to comply with all the provisions and requirements of the association; and the president or vice president and secretary of every such association shall annually, on the first day of January, or within thirty days thereafter, prepare under oath and deposit in the office of the superintendent of insurance a statement of the condition of such association on the thirty-first day of December then next proceeding, exhibiting such facts as are enumerated in section thirty-six hundred and fifty-four (3654), and applicable to such associations, and such other information necessary to reveal the financial condition of such associations as the superintendent may require, in a printed form to be by him supplied to such association for that purpose, and every such association which fails to make and deposit such statement or to reply to any inquiry of the superintendent, shall be subject to a penalty of five hundred dollars, and an additional five hundred dollars for every month that it continues thereafter to transact any business of insurance. [80 v. 197; Rev. Stat., 1880; 74 v. 66, § 5.]

Must adopt a constitution and by-laws.

Official statement to be made to superintendent of insurance.

SEC. 3691. The cellar and foundation walls shall not be included or considered a part of the building or structure in settling losses, anything in the application or policy to the contrary notwithstanding. [R. S., 759.]

Foundation walls.

(3691-1.) SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That any number of persons of lawful age, residents of this state, not less than five, may associate themselves together for the purpose of becoming a body corporate, and may insure themselves, and any person becoming a member of such incorporation, in accordance with the rules and regulations of such corporation, against loss, from death, of domestic animals, and may assess and collect, upon and from each other, such sums of money, from time to time, as may be necessary to pay losses which occur, from death of domestic animals, to any member of such incorporation; and incidental expenses, and the assessments and collections of such sums of money shall be regulated by the constitution and by-laws of the corporation. [86 v. 377.]

Mutual protective association.

(3691-2.) SEC. 2. Such persons shall make and subscribe a certificate, setting forth therein—

Certificates of organization.

1. The name by which the corporation shall be known.

2. The place which shall be chosen as its principal office.

3. The object of the corporation, which shall only be to enable its members to insure each other against loss from

death of domestic animals, and to enforce any contract which may be by them entered into, whereby they specifically agree to be assessed for the payment of losses and incidental expenses.

4. Shall acknowledge the signing of such certificate before a notary public, or other officer authorized to take the acknowledgements of deeds and mortgages. [86 v. 377.]

Certificate to be filed with secretary of state.

(3691-3.) SEC. 3. The certificate shall be filed in the office of the secretary of state, and a copy thereof, duly certified by the secretary of state, shall be evidence of the existence and due incorporation of such company for the purposes therein named. [86 v. 377.]

Election of officers.

(3691-4.) SEC. 4. When such certificate is so filed, and a copy thereof, so certified, forwarded to the company, the persons named therein shall elect their directors, and a president, secretary and treasurer, and such other officers as may be necessary for the complete performance of all the business and objects of the company herein provided for, to serve for one year, or until their successors are duly elected and qualified. Such officers shall thereafter be elected annually, by the members of the association, at such time as shall be fixed upon in the constitution and such company so organized shall be known and held to be a body corporate, for the purpose aforesaid, and may sue and be sued, and plead and be impleaded, in all courts of law and equity; but in no instance shall the power to insure against loss by death of domestic animals be exercised to others than the members of the company; and no such company shall receive applications nor issue policies to persons not bona fide residents of Ohio. [86 v. 377.]

Constitution and by-laws.

(3691-5.) SEC. 5. Every such company shall adopt such constitution and by-laws, not inconsistent with the constitution and laws of this state and the United States, as will, in the judgment of its members, best subserve the interest and purposes of the company; and all persons who obtain insurance in such company shall thereby become members thereof, with power to vote at all regular meetings of such members, upon all subjects, and shall be held, in law, to comply with all the provisions and requirements of the company; and the president, or vice-president, and secretary of every such company, shall annually, on the first day of January, or within thirty days thereafter, prepare, under oath, and deposit in the office of superintendent of insurance, a statement of the condition of such company on the thirty-first day of December then next preceding, exhibiting such facts as are enumerated in section thirty-six hundred and fifty-four of the Revised Statutes of Ohio, and applicable to such companies, and such other information as is necessary to reveal the financial condition and general management of such company, as the superintendent of insurance may require in printed form, to be, by him, supplied to such companies for that purpose; and every such company failing to make and

Annual statement to commissioner of insurance.

deposit such statement, or to reply to any inquiry of the superintendent, shall be subject to a penalty of five hundred dollars, and an additional five hundred dollars for every month that it continues thereafter to transact any business of insurance, and shall forfeit its right to do the business contemplated by this act, which forfeiture the superintendent shall enforce by proceedings in quo warranto. [86 v. 377.]

(3691-6.) SEC. 6. The superintendent of insurance may, whenever he may deem it advisable, cause an examination of the affairs of such company or corporation to be made by one or more disinterested persons, at the expense of the company, such expense not to exceed five dollars per day for each person so employed; and if, upon such examination, it shall appear that such company or corporation is exercising powers or franchises contrary to law, the superintendent of insurance shall institute proceedings in quo warranto against the same, and if it be found, in such proceedings, that such company or corporation has exercised powers or franchises contrary to law, a forfeiture of its right to do business shall be declared. [86 v. 377.]

Examinations
by commis-
sioner of in-
surance.

(3691-7.) SEC. 7. No company organized under this act shall issue any certificate or policy of insurance until bona fide applications for insurance to the amount of fifty thousand dollars shall have been filed with the secretary of such company, and a statement of such fact sworn to by such secretary and president of such company, filed with and approved by the superintendent of insurance. Nor shall the treasurer of such company receive any money, as such treasurer, until he shall have filed with the superintendent of insurance, payable to the state of Ohio, for the benefit of the members of such company, his bond, in the sum of ten thousand dollars, with security, to be approved by the superintendent. Such bond shall be conditional for the faithful application of all money coming into his hands as such treasurer. [86 v. 377.]

Amount of ap-
plications for
insurance re-
quired before
commencing
business.

(3691-8.) SEC. 8. When the statement of the secretary and the president, and the bond of the treasurer, provided for by the preceding section, shall have been filed and approved by the superintendent of insurance, the superintendent shall issue, to such company, his certificate, certifying such fact, and such certificate shall constitute the authority of such company to commence business. [86 v. 377.]

When company
may commence
business.

(3691-9.) SEC. 9. Should the amount at risk in such company, at any time, become reduced below fifty thousand dollars, such company shall issue no more certificates or policies of insurance until bona fide applications, sufficient to restore such insurance to said amount, shall have been secured, and a sworn statement of such fact shall have been filed with and approved by the superintendent of insurance, and by him certified to the company; and should such company fail to so restore such amount, for the period of six

When charter
may be for-
feited.

months, then such company shall forfeit its right to do [the] business contemplated by this act; and when the liabilities of such company shall exceed three per cent. of the amount of risk in force, as determined by the last preceding assessment, such company shall be deemed to be insolvent, and to have forfeited its charter; and such forfeiture shall be enforced by the superintendent of insurance by proceedings in quo warranto. [86 v. 377.]

Bond of secretary and treasurer.

(3691-10.) SEC. 10. The treasurer and secretary of such companies shall give bond for the faithful performance of their duties, to the directors or trustees of the company, in such sum and with such security as shall be prescribed in the by-laws of the company, the security to be approved by such directors or trustees. [86 v. 377.]

Directors.

(3691-11.) SEC. 11. The directors or trustees of such company shall, before qualified, take an oath, to be administered by any officer authorized to take acknowledgments of deeds, to faithfully perform the duties required of them as such officers. [86 v. 377.]

Statement of secretary and bond of treasurer to be filed with commissioner of insurance.

(3691-12.) SEC. 12. Any company or association, organized under sections 3686 and 3687 of the Revised Statutes of Ohio, as amended February 27, 1885, for the purpose of insuring its members against loss from death of domestic animals, and still doing business, shall, within ninety days after the passage of this act, file the statement, and the treasurer shall file his bond as provided in section 7 of this act, and, failing so to do, shall forfeit the right to do the business contemplated by this act. [86 v. 377.]

Companies may reinsure their risks.

(3691-13.) SECTION 1. *Be it enacted by the General Assembly of the State of Ohio,* That any fire, marine, fidelity, accident, plate glass, boiler, or other insurance company, now or hereafter organized or existing, under or by virtue of the laws of Ohio, shall have authority, by and with the consent and approval of the commissioner of insurance, to re-insure any and all risks undertaken by it, in any company authorized by law to transact a similar class of insurance business in this state. [Ohio Laws, vol. 81, page 179.]

PREMIUM NOTE COMPANIES.

Sections repealed by the act of April 14, 1888, (85 v. 273), but remaining in force as to all mutual companies organized prior to the passage of the act, which did elect to reorganize on the contingent liability plan:

Amount of capital companies must have.

SEC. 3634. No company shall be incorporated under this chapter with a smaller capital than one hundred thousand dollars, which shall be divided into shares of one hundred dollars each; nor shall any company on the plan of mutual insurance be organized in this state until agreements have been entered into for insurance with at least two hundred solvent applicants, the premiums on whose policies shall amount to not less than fifty thousand dollars, of which

at least twenty per cent. has been paid in cash by each applicant on his note, and their notes founded on actual and bona fide applications for insurance have been received for the remainder; no one of the notes received as aforesaid shall amount to more than five hundred dollars, and no two shall be given for the same risk, or be made by the same person or firm, except when the whole amount of such notes does not exceed five hundred dollars; nor shall any note be represented as capital stock unless a policy be issued upon the same within thirty days after the organization of the company, upon a risk which shall be for no shorter period than twelve months; each of the notes shall be payable in part or in whole, at any time when the directors deem the same requisite for the payment of losses by fire, or inland navigation, and such incidental expenses as may be necessary for transacting the business of the company; and no note shall be accepted as part of such capital stock unless the same be accompanied by a certificate of a justice of the peace of the town or city where the maker of such note resides, that the maker is in his opinion, pecuniarily good and responsible for the same; and no such note shall be surrendered during the life of the policy for which it was given; but nothing in this section shall apply to associations for the mutual protection of their members against loss by fire, heretofore or hereafter organized. [75 v, 561, § 3.]

SEC. 3648. No fire insurance company organized under any law of this state shall make any dividend except from the surplus profits arising from its business; and in estimating such profits there shall be reserved therefrom—

When fire company may make dividends.

First. A sum equal to fifty per cent. of the whole amount of premiums on unexpired risks and policies, which is hereby declared to be unearned premiums.

Second. All sums due the company on bonds and mortgages, bonds, stocks, and book accounts, of which no part of the principal nor the interest thereon has been paid during the preceding year, and on which an action has not been commenced, or which, after judgment obtained thereon, has remained more than two years unsatisfied, and on which interest has not been paid; and

Third. All interest due or accrued, and remaining unpaid, for which the company does not hold securities as hereinbefore provided.

Any dividend made contrary to the provisions of this section shall subject the company which makes the same to a forfeiture of its charter, and each stockholder who receives it to a liability to the creditors of the company to the extent of the dividend received, besides the other penalties and punishments prescribed by law; but this section shall not apply to the declaration of scrip dividends by participating companies, and no such scrip dividend shall be paid except from surplus profits, after reserving all sums above pro-

vided, including the whole amount of premiums on unexpired risks; and the word "year," wherever used in this section, shall be construed to mean the calendar year. [70 v. 147, § 14.]

Assessments
upon members
of mutual com-
panies.

SEC. 3650. Every person who effects insurance in a mutual company, and continues to be insured, and his heirs, executors, administrators and assigns shall thereby become members of the company during the period of insurance, shall be bound to pay for losses and such necessary expenses as accrue in and to the company in proportion to the amount of his deposit note; the directors shall, as often as they deem necessary, after receiving notice of any loss or damage by fire sustained by any member, and ascertaining the same, or after the rendition of any judgment against the company for loss or damage, settle and determine the sums to be paid by the several members thereof as their respective portions of such loss, and publish the same in such manner as they may choose or as the by-laws prescribe, and the sum to be paid by each member shall always be in proportion to the original amount of his deposit note, and shall be paid to the officers of the company within thirty days next after the publication of such notice; and every such company shall assess its members on the 30th day of September of each year, sufficiently to liquidate all liabilities of the company existing at the time of the assessment, and no such company shall borrow money or create a debt unless for the purpose of necessary office buildings, to continue beyond the period when such assessment may be collected and applied to the payment thereof, and no member shall be assessed for liabilities incurred prior to his membership. [79 v. 133.]

How assess-
ments enforced.

SEC. 3651. If a member neglect or refuse for the space of thirty days after the publication of such notice, and after personal demand for payment, to pay the sum assessed upon him as his proportion of any loss as aforesaid, the directors may sue for and recover the whole amount of his deposit note, with costs of suit; but execution shall only issue for assessments and costs as they accrue, and every such execution shall be accompanied by a list of losses for which the assessment is made; and if the whole amount of deposit notes be insufficient to pay the loss occasioned by any fire or fires, the sufferers insured by the company shall receive, toward making good their respective losses, a proportional share of the whole amount of such notes, according to the sums by them respectively insured, but no member shall ever be required to pay for any loss occasioned by fire, or inland navigation, more than the whole amount of his deposit note. [69 v. 140, § 16.]

How assess-
ment and notice
proved.

SEC. 3652. In actions for the recovery of assessments duly levied by the directors of any mutual fire insurance companies of this state, or for money due on the premium notes of the members of any such company, the official statement of the president or secretary of such company,

under seal, and sworn to, shall be received in court as evidence of the fact that such assessment, for the non-payment of which any such action is commenced, has been so levied, and notice thereof given. [39 v. 35, § 1.]

SEC. 3663. All buildings insured by any mutual company shall be pledged to such company, together with the right and title of the insured in the lands upon which they are situate, to the amount of the premium note to be insured, and the company shall have a lien thereon to the amount of such note; but the lien of the company shall not take effect until the company files with the recorder of the county in which the property insured is situate a certificate, stating the date, number, and amount of such premium note, and such a description of the property insured as will enable any person readily to identify the same; the recorder shall record and index the certificate in his book of liens, for which he shall receive the sum of fifty cents; and all liens heretofore acquired by any such company shall continue in force under this chapter. [69 v. 140, § 24.]

Lien of mutual companies for premium notes.

[House Bill No. 891.]

AN ACT

To provide for the organization and regulation of credit guaranty corporations.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That any number of persons not less than five, may associate and form a company to guarantee and indemnify merchants, manufacturers, traders and those engaged in business, and giving credit from loss and damage by reason of giving and extending credit to their customers and those dealing with them, by making, acknowledging and filing articles of incorporation pursuant to, and by complying with sections 3588, 3589 and 3590 of the Revised Statutes of Ohio.

Credit guaranty companies; organization.

SECTION 2. No such company shall be organized with a less capital than one hundred thousand dollars (\$100,000), and the whole capital shall, before proceeding to business, be paid in and invested in treasury notes, in stocks or bonds of the United States, in stocks or bonds of state of Ohio, or of any municipality or county thereof or in mortgages on unincumbered real estate within the state of Ohio, worth double the amount loaned thereon at the time such loan is made.

Capital stock.

SECTION 3. Any such company may increase its capital stock as provided in section 3592 of the Revised Statutes of Ohio.

Increase of capital.

SECTION 4. Any such company may invest its capital stock and change such investment as provided in section 3593 of the Revised Statutes of Ohio; but no such company shall commence business until it has made the deposit of

Investment of capital; deposit with superintendent of insurance.

securities provided for in said section, which shall be held and controlled by the superintendent of insurance for the purpose and in the manner provided in said section 3593 and in section 3594 of the Revised Statutes of Ohio.

Certificate of deposit and of authority to transact business.

SECTION 5. When such company is fully organized and has deposited the requisite amount of securities, as hereinbefore provided, together with a certified copy of the papers required by this act, the superintendent of insurance shall, unless he find the name assumed by such company so nearly similar to the name of another company organized in this state as to lead to uncertainty or confusion on the part of the public, furnish such company with a certificate of such deposit and of authority to commence and transact business.

Powers of companies.

SECTION 6. No such company shall undertake any business or risk except as herein provided, and such companies shall have the right, power and authority to agree to pay to merchants, manufacturers, dealers and persons engaged in business and giving credit, the debt or debts, or such part thereof as may be agreed upon, owing to them, or which may be thereafter owing to them, and to indemnify them from loss on account thereof in such an amount or per cent. as may be agreed upon, and to charge and receive therefor such a sum or per cent. as the consideration for such an agreement, guaranty or indemnity as shall be agreed upon between such corporation and the person guaranteed or indemnified, and to buy, hold, own and take an assignment of any and all claims, accounts and demands so guaranteed, and to hold, own and collect the same, and to enforce the collection thereof by action the same as the original holder and owner thereof might or could do; and such corporation may also guarantee the payment of money for personal services under contract of hiring. Any such corporation may use its capital stock or its funds accumulated in the course of its business to purchase or pay for any claim or demand, the payment of which it has guaranteed; or against the loss of which it has indemnified the holder; and such of its capital stock or accumulated funds as may not be so used shall be invested in the same classes of securities in which the deposit to be made with the superintendent of insurance is required by the provisions of this act to be invested; provided, that when on account of losses or otherwise, the amount of the funds of any such corporation shall fall below such sum as is required to be deposited by this act, no further guaranty of indemnity shall be issued until the deficiency has been made good.

Annual statements of companies.

SECTION 7. The president or vice-president of each company organized under this act, or under the laws of any other state, and doing business in this state, shall, annually, on the first day of January, or within thirty days thereafter, prepare under oath and deposit in the office of the superintendent of insurance a statement of the condition of such company on the thirty-first day of December then next

preceding, exhibiting the following facts and items, and in the following form, to wit:

First. The amount of the capital stock of the company, specifying the amount paid and unpaid.

Second. The property or assets held by the company, specifying:

Annual statements of companies.

1. The value of the real estate owned by such company, where it is situated, and the value of the buildings thereon.

2. The amount of cash on hand and deposited in banks to the credit of the company, specifying in what banks the same is deposited.

3. The amount of cash in the hands of agents and in course of transmission.

4. The amount of loans secured by bonds and mortgages which are first liens on real estate and on which there is less than one year's interest due.

5. The amount of loans on which interest has not been paid within one year.

6. The amount due the company on which judgments have been obtained, and the cash value thereof.

7. The amount of stocks in this state, the United States, of any city in this state, and of any other stocks owned by the company, specifying the amount, number of shares, and the par and market value of each kind of stocks.

8. The amount of stock held as collateral security for loans, with the amount loaned on, and the par and market value of each kind of stock.

9. The amount of unpaid assessments on stock, premium notes or contingent liabilities.

10. The amount of interest due and unpaid, and the amount of interest accrued but not due.

11. The amount of premium notes or contingent liabilities on which policies or bonds of guaranty or indemnity are issued.

12. The number of policies or bonds of guaranty or indemnity in force.

13. The amount of premiums received thereon.

14. The amount and description of all other assets.

15. The amount guaranteed under all policies in force.

Third. The liabilities of the company, specifying:

1. The amount of losses due and unpaid.

2. The amount of claims for losses resisted by the company.

3. Gross losses in process of adjustment or in suspense, including all reported and supposed losses.

4. The amount of dividends declared and due and remaining unpaid.

5. The amount of dividends, either cash or scrip, declared, but not due.

6. The amount of money borrowed, and the security given for the payment thereof.

7. The amount of all other existing claims against the company.

Fourth. The income of the company during the preceding year, specifying:

1. The amount of cash premiums received.

2. The amount of notes or contingent assets received for premiums.

3. The amount of interest money received.

4. The amount of income received from other sources.

Fifth. The expenditure during the preceding year, specifying:

1. The amount of losses paid during the year, stating how much of the same accrued prior and how much subsequent to the date of the preceding statement, and the amount at which losses were estimated in such preceding statement.

2. The amount of dividends paid during the year.

3. The amount of expenses paid during the year, including commissions and fees to agents and officers of the company.

4. The amount paid for taxes.

5. The amount of all payments and expenditures.

6. The amount of scrip dividend declared.

Requirements
of companies of
other states.

SECTION 8. Any corporation, company or association organized under the laws of any other state of the United States to transact a like business as that provided for in this act, may be admitted and licensed to do business in this state; but as a condition precedent to being admitted to and transacting business in this state, shall comply with the following conditions, to wit: Deposit with the superintendent of insurance (1) a certified copy of its charter or articles of incorporation; (2) a certificate from the insurance commissioner or superintendent of insurance of its own state showing its authority to do such business; (3) a certificate from said commissioner or superintendent or like authority of its own state, that corporations, companies or associations of this state engaged in a like business, are, upon complying with the laws of said state, legally entitled to do business in such state; (4) a statement under oath of its president and secretary, or like officers, in the form provided for in this act of its business for the preceding year; (5) a copy of its policy, bond or guaranty, application and by-laws; (6) a certificate from the insurance commissioner, superintendent of insurance or other proper officer of its own state, that such company has invested at least one hundred thousand dollars of its assets in the interest-paying bonds or stocks of the United States or of

this state, or of some other state of the United States, of the market value of one hundred thousand dollars in the city of New York, or in bonds and mortgages on unincumbered real estate in this state, or in the state under the laws of which it is organized, of at least double the value of the amount loaned thereon; that such securities are held under the laws of such state by such officer for the benefit of all its policy, bond or guaranty-holders; and such certificates shall also state the character of the securities held by such officer, and their value; (7) a duly certified copy of the resolution of its board of directors appointing an attorney in this state upon whom service of summons or other process in all actions begun in this state may be made.

SECTION 9. No deposit in this state shall be required of any corporation, company or association of another state, if such company, corporation or association has made the deposit in its own state, referred to in the last preceding section, and has filed with the superintendent of insurance of this state the certificate mentioned in the last preceding section as evidence of such deposit.

Exemption of company of other state from deposit in this state.

SECTION 10. Any corporation organized under this act, or doing business in this state hereunder, which shall fail or refuse to file a statement or report, shall forfeit its right to do business under this act, which forfeiture the superintendent shall enforce by proceedings in quo warranto; and it is hereby made the duty of the attorney-general of the state to institute such proceedings upon his request in writing.

Forfeiture of right to do business.

SECTION 11. Any such corporation, association or company shall be subject to examination by the superintendent of insurance of this state under and pursuant to the provisions of the laws of this state relative to the examination of life insurance companies.

Examination by superintendent of insurance.

SECTION 12. This act shall take effect and be in force from and after its passage.

Passed May 21, 1894.

[House Bill No. 733.]

AN ACT

Relating to appointments of arbitrators and umpires.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That in case where arbitrators and umpires are selected to ascertain a loss under any insurance policy issued on property in this state, said arbitrators and umpires shall be residents of the county in which such loss has occurred, at least one year prior to the said loss.

Residence required of arbitrators and umpires selected to ascertain loss under insurance policy.

SECTION 2. This act shall take effect on its passage.

Passed May 19, 1894.

MISCELLANEOUS AND SPECIAL STATUTES.

Corporations
generally; their
returns for
taxation.

SECTION 2744. The president, secretary, and principal accounting officer of every canal or slackwater navigation company, turnpike company, plank-road company, bridge company, insurance company, telegraph company, or other joint stock company, except banking or other corporations whose taxation is specifically provided for, for whatever purpose they may have been created, whether incorporated by any law of this state or not, shall list for taxation, verified by the oath of the person so listing, all the personal property, which shall be held to include all such real estate as is necessary to the daily operations of the company, moneys and credits of such company or corporation within the state, at the actual value in money, in manner following: In all cases return shall be made to the several auditors of the respective counties where such property may be situated, together with a statement of the amount of said property which is situated in each township, village, city, or ward therein. The value of all movable property shall be added to the stationery and fixed property and real estate, and appropriated to such wards, cities, villages, or townships, pro rata, in proportion to the value of the real estate and fixed property in said ward, city, village, or township, and all property so listed shall be subject to and pay the same taxes as other property listed in such ward, city, village, or township. It shall be the duty of the accounting officer aforesaid to make return to the auditor of state during the month of May of each year of the aggregate amount of all property by him returned to the several auditors of the respective counties in which the same may be located. It shall be the duty of the auditor of each county, on or before the first Monday of May, annually, to furnish the aforesaid president, secretary, principal accounting officer, or agent, the necessary blanks for the purpose of making aforesaid returns; but no neglect or failure on the part of the county auditor to furnish such blanks shall excuse any such president, secretary, principal accountant, or agent, from making the returns within the time specified herein. If the county auditor to whom returns are made is of the opinion that false or incorrect valuations have been made, or that the property of the corporation or association has not been listed at its full value, or that it has not been listed in the location where it properly belongs, or in cases where no return has been made to the county auditor, he is hereby required to proceed to have the same valued and assessed; provided that nothing in

this section shall be so construed as to tax any stock or interest in any joint stock company held by the state. [73 v. 139, § 16.]

Sec. 2745. Every agency of an insurance company incorporated by the authority of any other state or government, shall return to the auditor of each county in which such company does business, or from which it collects premiums on or before the first day of May, annually, the amount of the gross premium receipts of such agency for the previous calendar year in such counties; provided, however, that in the case of regular companies, wherein policy-holders participate in the surplus and earnings of the company, dividends or surplus from previous payments allowed and used in the payment of current premiums, cancellation or surrender values, and commissions paid to the citizens of this state, during the same period for which receipts are reported, shall be deducted from such gross receipts, and the net amount after such deductions shall be the basis of taxation for such companies in the counties, which shall be entered upon the tax list of the proper county, and be subject to the same rate of taxation, for all purposes, that other personal property is subject to at the place where located; and the whole of said tax shall be due and payable on the twentieth day of November next ensuing. And it shall be the duty of the superintendent of insurance, in the month of December, annually, to charge and collect from all such companies such a sum as, added to the sum paid to the county treasuries, will produce an amount equal to two and one-half per cent. on the gross premium receipts of such companies, as shown by their annual statements, under oath, to the insurance department; provided, however, that if, by the laws of any other state, territory or nation, a larger tax than two and one-half per cent. on such gross premium receipts is charged companies organized under the laws of Ohio, then the superintendent of insurance shall charge a like tax upon companies from such state, territory or nation doing business in this state. If any such company refuse to pay said tax, after demand therefor has been made, or if it shall make any false statement of its gross premium receipts, the superintendent of insurance shall revoke the license of such company to do business in this state. If, at any time, said superintendent has reason to suspect the correctness of the return made of the gross premium receipts of any such company he may, at the expense of the state, make an examination of the books of such company, or of its agents, for the purpose of verifying the same. All taxes collected under the provisions of this section by the superintendent of insurance shall be paid by him, upon the warrant of the auditor, into the general revenue fund of the state. [73 v. 139, § 16; 85 v. 183; 86 v. 274; 90 v. 201; 91 v. 91.]

Return and taxation of gross premium receipts of foreign insurance companies.

Sec. 2745a. It shall be unlawful for any insurance company or agent legally authorized to transact insurance business in the state of Ohio to write, place, or cause to be written or placed, any policy or renewal of policy contract

Insurance policy on property in Ohio not to be placed in agency outside state.

for insurance upon property situated or located in the state of Ohio, in or through any such legally authorized company outside of the state of Ohio, and the writing, renewal, placing or causing to be written or placed any such policy of insurance is hereby declared to be a violation of the law providing for the payment of taxes by foreign insurance companies doing business in the state of Ohio, as set out and provided in section 2745 of an act passed by the general assembly of the state of Ohio April 12, 1889. [88 v. 487.]

Revocation of authority of insurance company violating preceding section.

SEC. 2745*b*. That any company or companies violating the provisions of section 2745*a* of this act, upon notice and satisfactory proof thereof being made to the superintendent of insurance of the state of Ohio, shall have its or their authority to transact business in the state of Ohio revoked for a period of not less than ninety days; and any insurance company whose license to do business in the state of Ohio may be so revoked by the superintendent of insurance of the state of Ohio, shall not be again permitted to do business in the state of Ohio, until all taxes and penalties due thereon shall have been paid, together with any expense that may be due under the provisions of this bill, to the superintendent of insurance of the state of Ohio; and such company shall only be re-admitted to transact business in the state of Ohio upon a complete re-compliance with the laws now in force in regard to the admission of insurance companies to do business in Ohio. [88 v. 487.]

Superintendent of insurance to inspect company charged with violation of law.

SEC. 2745*c*. That when notice of any violation of the first section of this act is received by the superintendent of insurance of the state of Ohio, [that] it shall forthwith be his duty in person, or by deputy, to visit the office of such company or companies where such contract of insurance may have been written or made, and demand an inspection of the books and records of such company or companies; any company or companies refusing to exhibit its or their books and records for his inspection shall be deemed guilty of violating the provisions of the first section of this act, and the penalties provided in this act shall immediately be enforced against such company or companies, by the superintendent of insurance of the state of Ohio. [88 v. 487.]

Expenses of inspection to be paid by company.

SEC. 2745*d*. The superintendent of insurance of the state of Ohio shall receive, as a compensation for the services rendered under the provisions of this act, his necessary expenses, which sum shall be charged against the company or companies so visited by him, and shall be collected from such company or companies by suit in any court of competent jurisdiction. [88 v. 487.]

Unlawful to act as agent of or perform services for certain companies when taxes due and unpaid for twenty days; penalties.

SEC. 2843. If the taxes assessed against any express company, telegraph company, telephone company, or insurance company, in any county in this state, shall remain due and unpaid to the treasurer of such county, for the period of twenty days after the time provided by law for the payment thereof, it shall be unlawful for any person or persons, or corporation, to act as agents, or do or transact any busi-

ness for such company so in default to such county, until said tax, and interest, and penalty is fully paid; any person, or agent, manager or clerk of any corporation, who shall, after such default, directly or indirectly act as agent of, or do or transact any business whatever on account of or for the benefit of such company so in default, other than the payment of said tax, shall be held to be guilty of a misdemeanor, and on conviction thereof, shall be fined in any sum not less than one hundred nor more than five hundred dollars, or punished by imprisonment in the county jail, and fed on bread and water only, not exceeding thirty days, or both, at the discretion of the court; after such default, made as aforesaid, any railroad company which shall, directly or indirectly, convey or carry for said defaulting express, telegraph, telephone company, or insurance company, any package of money, merchandise, or other articles, or transmit any telegraphic message, after having notice of such default, shall, for every such offense, forfeit and pay a sum equal to the amount of such tax due and unpaid, with the interest and penalty thereon, to be recovered by an action in the name of the state, in the county where such tax is assessed, with costs of suit. [82 v. 92.]

SEC. 3234. Corporations created before the adoption of the present constitution, which take any action under or in pursuance of this title, shall thereby and thereafter be deemed to have consented, and shall be held to be a corporation, and to have and exercise all and singular its franchises under the present constitution and the laws passed in pursuance thereof, and not otherwise; provided, that any fire insurance company so created, complying with the requirements of sections three thousand six hundred and fifty-four, and three thousand six hundred and fifty-five, or of any police regulation contained in chapter eleven of this title, or in chapter eight of title three, part first, shall not be deemed to have consented, and shall not be affected by the provisions of this section by reason of such compliance. [Rev. Stat., 1880; 83 v. 201; 89 v. 73.]

Corporations
created prior
to 1851.

Fire insurance
companies.

SEC. 3236. Any number of persons, not less than five, a majority of whom are citizens of this state, desiring to become incorporated, shall subscribe and acknowledge, before an officer authorized to take acknowledgements of deeds, articles of incorporation, the form of which shall be prescribed by the secretary of state, which must contain:

Articles of
incorporation;
what to contain.

1. The name of the corporation, which shall begin with the word "The" and end with the word "Company," unless the organization is not for profit.

2. The place where it is to be located, or where its principal business is to be transacted.

3. The purpose for which it is formed.

4. The amount of its capital stock, if it is to have capital stock, and the number of shares into which the stock is divided.

5. Provided, any association of five or more persons, who are residents of the state of Ohio, and who are associated, not for profit, and as the principal or ruling organization over subordinate organizations, associated, not for profit, and having a definite location or place of business in the state of Ohio, may be incorporated, having its location or principal place of business in the state of Ohio, and without naming, in its articles of incorporation, a permanent place where it is to be located, or where its principal business is to be transacted. But such association must name in its articles of incorporation, the place where it is to be located, or where its principal business is to be transacted, at the time of its incorporation, with the name and place of residence of its then principal officers. And when such association changes its place where located; or the place where its principal business is transacted, it shall be the duty of its principal officer, under its seal, if it has one, countersigned by the officer acting as secretary of such association, to certify to the secretary of state of Ohio, the place then selected by such association, as its location, or where its principal business is to be transacted, with the name of its principal officers, and their places of residence, which certificate the secretary of state shall record for public use in the records of his office. [Rev. Stat., 1880; 82 v. 134; 86 v. 224.]

First election
of trustees of
corporations
not for profit.

SEC. 3240. A majority of the subscribers of the articles of incorporation of a corporation formed for a purpose other than profit, may elect not less than five trustees of the corporation, who shall hold their office till the next annual election, or until their successors are elected and qualified, but in the case of religious corporations and institutions incorporated for the purpose of promoting education, science or art, the regulations of such corporations may provide for the length of time said trustees shall hold their offices, the term thereof not to exceed in number of years the number of such trustees; provided, that lodges, societies or bodies of any secret or benevolent order incorporated under the laws of this state may elect such number of trustees not less than three as may be provided in the laws or regulations governing such lodge, society or body, and the election of such trustees may be held at the time specified in such laws or regulations. [80 v. 79; 85 v. 166.]

Annual and
other elections
for trustees and
directors.

SEC. 3246. Unless the regulations of the corporation otherwise provide, an annual election for trustees or directors shall be held on the first Monday in January of each year; if trustees or directors are, for any cause not elected at the annual meeting, or other meeting called for that purpose, they may be chosen at a members' or stockholders' meeting, at which all the members or stockholders are present in person or by proxies, or at a meeting called by the trustees or directors, or any two members or stockholders, notice of which has been given, in writing, to each stockholder, or by publication in some newspaper printed in the county

where the corporation is situate, or has its principal office, for ten days; and trustees and directors shall continue in office until their successors are elected and qualified. [R. S., 658.]

SEC. 3261. The trustees of a corporation created for a purpose other than profit, shall be personally liable for all debts of the corporation by them contracted. [52 v. 44, § 78.]

Trustees are personally liable for all debts by them contracted.

SEC. 5026. An action other than one of those mentioned in the first four sections of this chapter, against a corporation created under the laws of this state, may be brought in the county in which such corporation is situate, or has, or had its principal office or place of business, or in which any corporation has an office or agent; but if such corporation is an insurance company, the action may be brought in the county wherein the cause of action, or some part thereof, arose; and if such corporation be organized for the purpose of mining, either exclusively, or in connection with other business, the action may be brought in any county where such corporation owns or operates a mine or mines, and the cause of action or some part thereof, arose. [82 v. 5.]

Actions against corporations, other than those mentioned in sections 5022, 5025, R. S., where to bring.

SEC. 5045. When the defendant is an insurance company, and the action is brought in a county in which there is an agency thereof, the service may be upon the chief officer of such agency. [51 v. 57, § 67.]

Service in insurance company—how made.

SEC. 6832. Whoever maliciously burns or sets fire to any dwelling-house, kitchen, smoke-house, shop, office, barn, stable, store-house, ware-house, still-house, mill, pottery, or any other building, of the value of fifty dollars, or any goods, wares, merchandise, or other chattels, of the value of fifty dollars, the same being his own property, and insured against loss or damage by fire, with intent to prejudice the insurer, shall be imprisoned in the penitentiary not more than twenty years. [57 v. 49, §§ 1, 2.]

Burning property with intent to prejudice insurer.

SEC. 7078. A medical examiner for any life insurance company, or for any person seeking insurance therein, who knowingly makes any false statement or report to such company, or any officer thereof, concerning the health or bodily condition of any applicant for insurance, or concerning any other matter or thing which might affect the granting of such insurance, shall be fined not more than five hundred dollars or imprisoned not more than three months. [69 v. 159, § 31.]

False statement by medical examiner of insurance company.

SEC. 7084. Whoever obtains, or attempts to obtain, from any life or accident insurance company, any sum of money, or any policy of life or accident insurance issued by any company in this state, by falsely and fraudulently representing the person insured to be dead; or procures any policy of insurance to be issued to, or in any fictitious or assumed name, and falsely represents the fictitious person so insured to be dead, and thereby obtains, or attempts to obtain, from such company, the amount of such insurance,

Fraudulently obtaining money from insurance company.

or any part thereof; or obtains insurance upon the life of any person not himself actually applying for such insurance, or attempts to obtain insurance upon another's life for his benefit at the death of any such person, without the knowledge of such person to be insured, or falsely obtains, or attempts to obtain, from any such company, any sum of money upon any policy of such company, by means of any false and fraudulent written representation or affidavit that the person whose life was insured is dead, or that the person insured against accident is injured, shall be imprisoned in the penitentiary not more than fifteen years; provided, that when the thing obtained or attempted to be obtained is a sum of money and less than thirty-five dollars, the person convicted shall be fined not more than five hundred dollars, or imprisoned not more than six months, or both. [64 v. 229, § 1; 85 v. 119.]

[House Bill No. 967.]

AN ACT

To amend sections one and four of an act entitled "An act to create and perpetuate a board of trustees of the firemen's pension fund, to provide and distribute such fund for the pensioning of disabled firemen, and the widows and minor children and dependent mothers or fathers of deceased firemen, in cities of the third grade of the first class, and of the third grade of the second class," passed March 16, 1887, and as amended March 18, 1889.

Firemen's pension fund.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That sections one and four of an act entitled "An act to create and perpetuate a board of trustees of the firemen's pension fund, to provide and distribute such fund for the pensioning of disabled firemen, and the widows and minor children and dependent mothers or fathers of deceased firemen, in cities of the third grade of the first class, and of the third grade of the second class," passed March 16, 1887, and as amended March 18, 1889 (O. L., vol. 86, p. 114), be and the same are hereby amended so as to read as follows, viz.:

Board of trustees of the firemen's pension fund in cities.

Sec. 1. That the persons who, from time to time, compose the board of fire commissioners, the board of police and fire commissioners, or such other board or commission of the city council of any city, having control or management of the fire department of such city, and three other persons, members of the fire department therein, elected as hereafter provided, or such other person or persons as are by law authorized to take charge of and manage such fund, shall be called the board of trustees of the firemen's pension fund. Provided, however, that in any city coming within the operation of the provisions of this act, which has no board of fire commissioners, board of police and fire commissioners, or other board or commission controlling or managing the fire department of such city, or other person

or persons authorized by law to take charge of and manage such fund, the council of such city shall appoint three persons electors within such city, who, together with said three members of the fire department elected as hereinafter provided, as aforesaid, shall constitute the said board of trustees of the firemen's pension fund of such city. [84 v. 102; 86 v. 114; 90 v. 155.]

SEC. 2. The three persons to be elected as such trustees shall, together with three other persons, also members of the said fire department, be nominated for such office of trustee in a convention to be composed of one delegate from each engine, chemical engine, fire boat, hook and ladder or hose company, fire alarm telegraph company and from the general office belonging to the fire department of any such city, and called by the chief of such fire department, and convened at least two weeks prior to the election of such three trustees. That such election shall be held in the respective houses or headquarters of such engine, chemical engine, fire boat, hook and ladder or hose company, telegraph department or general offices, and be by ballot cast by the members of the said fire department between the hours of nine o'clock in the forenoon and six o'clock in the afternoon, on the third Tuesday of January, in each and every year hereafter, except the first election, which shall be held within thirty days after and by virtue of the passage of this act. That every such member shall be entitled to cast only one ballot. That no ballot shall contain the names of more than three persons, and the persons receiving the highest number of votes shall be declared elected as such trustees, and hold their office until their successors are duly elected. That the captain or officer in command of any such company, on the day of and immediately after holding such election, shall canvass, count, and certify in writing the number of ballots cast and the vote received by each candidate for the office of trustee. After signing such certificate said officer or captain in command shall at once address and deliver, or mail the same to the city clerk of such city; that the mayor, city clerk and chief of the fire department shall together, within three days after the receipt of such certificates by said secretary, open the same and ascertain and determine the total number of votes so cast at said election for the different persons for the office of trustee as returned by said captain or officer in command, and under the respective hands of such mayor and city clerk, issue certificates of their election to the three persons elected as such trustees. In case of a tie vote being received by any two persons for the office of said trustee, such tie vote shall be decided by casting lots, or in any other way which may be agreed upon by and between the persons for whom such tie vote was cast. No election shall be set aside for want of formality in balloting by such members, or certifying or remitting the returns of any such election by said captain or officer in charge. [84 v. 102.]

Election of
three trustees.

Place of
elections.

Time.
Ballots.

Count and
canvass.

Return.

Declaring
re-sult.
Certificates.

Tie vote formal-
ity not required.

President and secretary of board; record of proceedings; report.

SEC. 3. Said board shall be organized by the election of a president and secretary. The secretary shall keep a full record of all the proceedings of said board of trustees, and all action taken by it in regard to said pension fund, and shall annually make a report to the city council of such city, giving in detail a statement of the transactions of the board for the current year ending December 31, in each year, said report to be made to the council on or before the second Monday in January of each year. [84 v. 103.]

Tax on foreign insurance companies applied to fund.

SEC. 4. That the county treasurers of counties containing a city shall, semi-annually, at the time of making their semi-annual settlement with the auditors of their respective counties, pay over to the treasurers of any city in any such county, on the warrant of the county auditor, one-half of the taxes paid into the treasury of such county by insurance companies incorporated by the authority of any other state or government, and doing business in any such city, on the gross receipts of every such insurance company under and by virtue of the provisions of section 2745 of the Revised Statutes, and during the half year preceding such semi-annual settlement, and the money so paid over to such city treasurer shall, together with the amount heretofore so paid, constitute a pension fund for the purposes and objects hereinafter set forth. Provided nothing herein contained shall be construed to alter, amend, supplement or repeal any provision of the statutes relating to or affecting the creation, control, management or maintenance of a firemen's pension fund for cities of the first or second grade of the first class or of the first or second grade of the second class. [84 v. 103; 86 v. 115; 90 v. 155.]

Cincinnati, Cleveland, Columbus and Dayton.

Failure of such companies to make return of gross receipts; penalty.

SEC. 5. In case any such insurance company shall fail to make return to the office of the auditor of the county in which the office or agency of such insurance company may be kept, in the month of May, annually, the amount of the gross receipts of such agency for entry upon the tax list of the proper county, such auditor shall forthwith give notice of such failure to the superintendent of insurance, and said superintendent shall, upon the receipt of said notice from said auditor, forthwith revoke and recall the license and authority to such insurance company to do or transact business within this state. And no renewal of authority shall be granted to such insurance company for three years after such revocation, and it shall be prohibited from transacting any business in this state until again duly licensed and authorized so to do, and the said return shall have been duly made. In each and every case of the failure of the said auditors to give such notice to said superintendent of insurance, such auditor shall forfeit and pay to such city, for the use and benefit of said pension fund, the sum of one hundred dollars, such forfeiture to be recovered of said auditor in an action of law therefor, brought against him by any person, in the name of any such city, and before any court of competent jurisdiction. [84 v. 103.]

Duty of county auditor; penalty for neglect.

SEC. 6. That it shall be the duty of said auditor to make out and deliver to the said board of trustees, annually, on the first of July, in each and every year hereafter, a correct statement of the name and agent's name of every such insurance company so doing business in said city, together with the amount of the gross receipts of every such insurance company as returned by said agent or company to said auditor for the year previous to such first day of July. In case of the failure of said auditor to make out and deliver to said board of trustees any such annual statement at the time named in each and every year hereafter, such auditor shall forfeit and pay to said board of trustees for the use and benefit of the said pension fund, the sum of twenty-five dollars. Such forfeiture to be sued for and recovered of such auditor in an action at law brought against him by any person, in the name of any such city, and before any court of competent jurisdiction. [84 v. 104.]

Duty of auditor to deliver statement of such gross receipts, etc., to board; penalty for neglect.

SEC. 7. That it shall be the duty of the auditor of the said county to make out and deliver to the said board of trustees, semi-annually, each and every year hereafter, a statement showing the amount of the taxes paid into the treasury of such county by such insurance companies for the year or part thereof, prior to the making and delivery of such semi-annual statement of said auditor to such board of trustees, and in case of the failure of said auditor to so make out and deliver such semi-annual statement to said board of trustees, as herein provided, in each and every year hereafter, such auditor shall forfeit and pay to said board of trustees, for the use and benefit of said pension fund, the sum of twenty-five dollars. Such forfeiture to be sued for and recovered against him in an action therefor, brought by any person, in the name of such city, before any court of competent jurisdiction. [84 v. 104.]

Duty of auditor to deliver semi-annual statement of taxes paid, etc.; penalty for neglect.

SEC. 8. All fines imposed upon members of the fire department in any such cities by way of discipline or punishment, together with all rewards in money, fees, gifts and emoluments that may be paid or given specially to said pension fund on account of extraordinary services by said fire department, or any member thereof, (except when allowed to be retained by such member, or given to endow a medal, or other permanent or competitive reward,) shall be paid to and received by the said city treasurer, and applied by him to the said pension fund, and the said board of trustees may take by gift, grant, devise or bequest any money, real estate or personal property, right of property or other valuable thing, the annual income of which shall not exceed fifty thousand dollars in the whole, and such money, real estate or personal property, right of property or other valuable thing so obtained, shall in like manner be paid to and applied by such city treasurer to the said pension fund, and also to the use of such fund by deposit, investment or profits as hereinafter provided, or as such board of trustees shall direct; provided, that the sum of one hun-

Other revenues of such fund.

Fines, gifts, etc.

Permanent
fund.

dred thousand dollars, which may be received and accumulated under the provisions of this act, shall be, when so received and accumulated, retained as a permanent fund, the annual income of which may alone be made available for the uses and purpose of said pension fund. [84 v. 104.]

City treasurer's
bond.

SEC. 9. That the treasurer of every such city shall execute a bond with sufficient sureties to such city for the faithful performance of his duties as the custodian of such pension fund, in like manner as his present official bond as such treasurer is drawn, executed and filed, and in such penal sum as the said board of trustees shall direct. [84 v. 105.]

Power to invest
said fund in
registered
bonds.

SEC. 10. That the said board of trustees shall have power to draw such pension fund from the treasury of such city, and may invest the said fund in the name of "the board of trustees of the firemen's pension fund" in interest bearing bonds of the United States, the state of Ohio, or any county in this state, or of said cities or of any township, incorporated village, or other municipal corporation in the state of Ohio, where the power to issue such bonds is derived from either general or special legislative authority. That the said bonds shall, before the same are issued to the said board of trustees, be registered in the office of [the] treasurer of the United States, or said state of Ohio, or county, city, township, incorporated village or other municipal corporation in this state issuing the same, and bear upon their face the printed or legibly written fact of such registry, together with the book, and page, and the date and place of such registry. The said board of trustees shall make report to the common council of the condition of said pension fund on the second day of January, in each and every year. [84 v. 105.]

Annual report
of trustees.

Beneficiaries
of such fund.

Payments to.

SEC. 11. If any member of the fire department of any such city shall, while in the performance of his duty, become or be found upon an examination of a medical officer ordered by said board or committee having control of the fire department, to be physically or mentally permanently disabled, and such disability shall have been caused in, or induced by the actual performance of the duties of his position as such member, so as to render necessary his retirement from all service in the said fire department, such board or committee shall have power to retire such permanently disabled member from all service in the said fire department, and upon such retirement the said board of trustees shall authorize the payment to such permanently disabled member, monthly, from the said pension fund upon the order of the city clerk, the sum of twenty-five dollars. If any member of the said fire department shall, while in the performance of his duty, be killed, or die from the effects of an injury thus received, or of any disease thus contracted, or, while retired, die from any such cause, such member so killed, or dying from said injuries or disease, shall leave a widow, or minor child or children under sixteen years of age, or a mother who depended upon him

for support, said board of trustees shall authorize and direct the payment from the said pension fund of the following sums monthly, to-wit: to such widow, while unmarried, twenty dollars; to the guardian of such minor child or children, six dollars for each of said children until each child shall respectively arrive at the age of sixteen years, and twenty dollars to such dependent mother until she remarries; and in case there is no dependent mother, but a father who is dependent upon such member for support, such dependent father shall be paid the same sum monthly provided herein to be paid to a dependent mother; provided, however, that if at any time there should not be sufficient money or bonds to the credit of the said pension fund to pay to each person entitled to the benefit thereof, the full amount per month as hereinbefore stated, then and in that event, an equal percentage of said monthly payments shall be made to each beneficiary thereof, until said fund is so replenished as to warrant payment in full to each of said beneficiaries. [84 v. 105.]

SEC. 12. That no portion of the said pension fund shall, either before or after its order of distribution by the said board of trustees to such disabled member of said fire department, or to the widow or guardian of the minor child or children, or to the dependent mother or father of a deceased or retired member of such department, be held, seized, taken, subjugated to, detained or levied on by virtue of any attachment, execution, injunction, writ, interlocutory or other order or decree, or any process or proceeding whatever, issued out of or by any court in this state, for the payment or satisfaction, in whole or in part, of any debt, damages, claim, demand, judgment, fine or amercement of such member or his said widow, or the guardian of the minor child or children, or of the dependent mother or father of any deceased member; but the said fund shall be sacredly kept, held, secured, promoted and distributed for the purpose of pensioning the persons named in this act, and for no other purpose whatever. [84 v. 106.]

Payments not
subject to
attachment,
execution, etc.

SEC. 13. That all acts or parts of acts inconsistent with this act be and the same are hereby repealed. [84 v. 106.]

SEC. 14. This act shall take effect and be in force immediately from and after its passage. [84 v. 106. 90 v. 156.]

Passed March 16, 1887.

Amended March 19, 1889.

Amended April 7, 1893.

[House Bill No. 796.]

AN ACT

To create and perpetuate a board of trustees of the firemen's pension fund, and to provide and distribute such fund for the pensioning of disabled firemen, and the widows and minor children and dependent mothers and fathers of deceased firemen; to authorize the retirement from all service, or the relief from active service, and the pensioning of any such member of the fire department and for the other purposes in connection therewith, in cities of the first grade of the first class.

trustees of fire-
men's pension
fund.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio,* That the persons who, from time to time compose the board of fire commissioners of any city of the first grade of the first class, and five other persons, members of the fire department therein, elected as hereinafter provided, shall constitute and be the trustees for the distribution of the pension fund now existing or hereinafter provided, and shall be called the board of trustees of the firemen's pension fund.

Composed of
whom.

SEC. 2. The five persons to be elected as such trustees shall, together with five other persons, also members of the said fire department, be nominated for such office of trustees in a convention to be composed of one delegate from each engine, chemical engine, fire boat, hook and ladder or hose company, fire alarm telegraph company, and from the general office belonging to the fire department of any such city, and convene at least two weeks prior to the election of such five persons. That such election shall be held in the respective houses or headquarters of such engine, chemical engine, fire boat, hook and ladder or hose company, telegraph department or general office, and to be by ballot cast by the members of said fire department between the hours of nine o'clock in the forenoon and six o'clock in the afternoon, on the first Tuesday of January, in each and every year hereafter, except the first election, which shall be held within thirty days after and by virtue of the passage of this act. That every such member shall be entitled to cast only one ballot, that no ballot shall contain the names of more than five persons, and the persons receiving the highest number of votes shall be declared elected as such trustees, and hold their offices until their successors are duly elected. That the captain or officer in command of any such company, on the day of, and immediately after holding such election, shall canvass, count and certify in writing the number of ballots cast, and the vote received by each candidate for the office of trustee. After signing such certificate, said captain or officer in command shall at once address and deliver, or mail the same to the secretary of the board of trustees. That the president and secretary of the board of trustees, shall, together within three days after the receipt of such certificates by said secretary, open the same, and ascertain and determine the total number of votes so cast at said election for the different persons for

How elected.

the office of trustee, as returned by said captain or officer in command, and under the respective hands of such president and secretary issue certificates of their election to the five persons elected as such trustees. In case of a tie vote being received by any two persons for the office of said trustee, such tie vote shall be decided by casting lots, or in any other way which may be agreed upon by and between the persons for whom such tie vote was cast. No election shall be set aside for want of formality in balloting by such members, or certifying or remitting the returns of any such election by said captain or officer in charge.

SEC. 3. The president and secretary of the board of fire commissioners in such cities, shall also be respectively the president and secretary of said board of trustees of the firemen's pension fund. It is hereby made the duty of the said secretary to keep a full record of all the proceedings of said board of trustees, and all actions taken by it in regard to the said pension fund without additional compensation.

President and
secretary.

SEC. 4. That the county treasurers of counties containing a city of the first grade of the first class shall, annually, at the time of their annual settlement with the auditors of their respective counties, pay over to the treasurer of such city one-half of the amount to which such city is entitled under its annual levy of all the taxes paid into the treasury of such county by insurance companies incorporated by the authority of any other state or government, and doing business in any such city, on the gross receipts of every such insurance company, under and by virtue of the provisions of section 2745 of the Revised Statutes, during the half year preceding such annual settlement, and the money so paid over to such city treasurer shall, together with the amount heretofore so paid, constitute a pension fund for the purposes and objects hereinafter set forth.

Duties of
county treasurers in certain
counties.

SEC. 5. In case any such insurance company shall fail to make return to the office of the auditor of the county in which the office or agency of such insurance company may be kept, in the month of February, annually, the amount of the gross receipts of such agency for entry upon the tax list of the proper county, such auditor shall forthwith give notice of such failure to the superintendent of insurance, and said superintendent shall, upon the receipt of such notice from said auditor, forthwith revoke and recall the license and authority to such insurance company to do or transact business within this state, and no renewal of authority shall be granted to such insurance company for three years after such revocation, and it shall be prohibited from transacting any business in this state until again duly licensed and authorized so to do, and the said returns shall have been duly made. In each and every case of failure of the said auditor to give such notice to said superintendent of insurance, said auditor being cognizant of the existence of such company and of the transaction of business by the same, such auditor shall forfeit and pay to said city for the

Failure of insurance companies to make return.

use and benefit of the said pension fund, the sum of one hundred dollars, such forfeiture to be recovered of said auditor in an action at law therefor, brought against him by any person in the name of any such city, and before any court of competent jurisdiction.

Duty of county auditors.

SEC. 6. That it shall be the duty of the said auditor to make out and deliver to the said board of trustees, annually, on the first of May in each and every year hereafter, a correct statement of the name, and agent's name of every such insurance company so doing business in said city, together with the amount of the gross receipts of every such insurance company, as returned by said agent or company to said auditor for the year previous to the first day of May. In case of the failure of said auditor to make out and deliver to said board of trustees any such annual statement at the time named in each and every year hereafter, such auditor shall forfeit and pay to said board of trustees, for the use and benefit of said pension fund, the sum of five hundred dollars, said forfeiture to be sued for and recovered of such auditor in any action at law, brought against him by any person in the name of any such city, and before any court of competent jurisdiction.

County treasurer to deliver certain statement to trustees of pension fund.

SEC. 7. That it shall be the duty of the treasurer of said county to make out and deliver to the said board of trustees, on the first day of January, in each and every year hereafter, a statement of the name of every such insurance company doing business in said city, together with the amount of taxes paid into the treasury of such county by such insurance company, for the year or part thereof, prior to the making and delivery of such semi-annual statements of said treasurer to such board of trustees.

Powers of commissioners to impose fines.

SEC. 8. That the said board of five commissioners may impose fines upon any member of the fire department in any such city, by way of discipline or punishment, detain and collect the same from the pay and salary of such member, and such fines, together with all the rewards in money, fees, gifts and emoluments, that may be paid or given especially to such pension fund, on account of extraordinary service by said fire department, or any member thereof (except when allowed to be retained by such member, or given to endow a medal or other permanent or competitive reward), and all proceeds of suits for penalties for the violation of any provision of any statute of this state, or ordinances of said city, with the execution of which the said fire department or any of its officers or members, is now, or hereafter may be charged, and any license or other fees payable under the same, shall be paid to and received by the said city treasurer, and applied by him to the said pension fund. And the said board of trustees may take by gift, grant, devise, or bequest, any money, real estate or personal property, right of property or other valuable thing, the annual income of which shall not exceed fifty thousand dollars in the whole, and such money, real estate or personal

property, right of property or other valuable thing so obtained, shall in like manner be paid to and applied by such city treasurer to the said pension fund, and also to the use of such fund by deposit, investment or profit, as hereinafter provided, or as such board of trustees shall direct; provided, that the sum of one hundred thousand dollars, which may be received and accumulated under the provisions of this act, shall be, when so received and accumulated, retained as a permanent fund, the annual income of which may alone be available for uses and purposes of the said pension fund.

SEC. 9. That the treasurer of every such city shall execute a bond with sufficient sureties, to the city, for the faithful performance of his duties as the custodian of such pension fund, in like manner as his present official bond as such treasurer is drawn, executed and filed, and in such penal sum as the said board of trustees shall direct.

Treasurer to
give bond.

SEC. 10. That the said board of trustees shall have power to draw such pension fund from the treasury of such city, and may invest the said fund in the name of the board of trustees of the firemen's pension fund, in interest bearing bonds of the United States, the state of Ohio, or any county in this state or of said cities, or of any township, incorporated village or other municipal corporation in the said state of Ohio, when the power to issue said bonds is derived from either general or special legislative authority, that the said bonds shall, before the same are issued to the said board of trustees, be registered in the office of the treasurer of the United States, or said state of Ohio, or county, city, township, incorporated village or municipal corporation in this state issuing the same, and bear upon their face the printed or legible written fact of such registry, together with the book and page, and the date and place of such registry. And in such cities it shall be the duty of the trustees of the sinking fund of said cities, upon the application being made to them for that purpose by the trustees of the firemen's pension fund, to receive such bonds, and safely keep the same, and deliver the same to said board of trustees of the firemen's pension fund, only on the order of said board, signed by the president and two members thereof, and countersigned by the secretary. The said board of trustees shall make reports to the common council of the condition of said pension fund, on the first day of January, of each and every year.

Board of trustees may invest
funds.

SEC. 11. If any member of the fire department of any such city shall, while in the performance of his duty, become or be found upon examination by a medical officer, ordered by said board of trustees, to be physically or mentally permanently disabled, so as to render necessary his retirement from all services in the said fire department, such board of fire commissioners shall have power to retire such permanently disabled member from all service in the said fire department, and upon such retirement, the said board

When members
of fire department may draw
upon fund.

of trustees shall authorize the payment to such permanently disabled member, monthly, from the said pension fund, the sum of fifty (\$50) dollars. If any member of said fire department shall, while in the performance of his duty be killed, or die from the effects of any injury thus received, or of any disease thus contracted, or if any member of said fire department shall, after ten year's service therein, or while retired, die from any cause, such member so killed or dying from said injuries or disease, or after said term of service or retirement, shall leave a widow or minor child or children, under sixteen years of age, or a mother who depended upon him for support, said board of trustees shall authorize and direct the payment from the said pension fund the following sums monthly, to-wit: to such widow, while unmarried, the sum of twenty dollars; to the guardian of such minor child or children, six dollars for each of said children, until each child shall respectively arrive at the age of sixteen years, and twenty dollars to such dependent mother until she remarries; and in case there is no dependent mother, but a father who is dependent upon such member for support, such dependent father shall be paid the same sum monthly, as provided herein to be paid to a dependent mother; provided, however, that if [at] any time there should not be sufficient money or bonds to pay to each person entitled to the benefit thereof the full amount as hereinbefore stated, then, and in that event, an equal percentage of said monthly payments shall be made to each beneficiary thereof, until said fund is so replenished as to warrant payment in full to each of said beneficiaries.

Pension in case
of partial dis-
ability.

SEC. 12. In case of the partial, permanent disability of any member of said fire department, caused in or induced by the actual performance of the duties of his position as such member, or which shall have occurred before the expiration of ten years' service in the said fire department, the said board of fire commissioners, upon an examination of such partially permanently disabled member by the medical officer ordered by the said board of trustees, shall have power to relieve such partially permanently disabled member from actual service at fires, and the said board of trustees, upon such member being so relieved, shall authorize the payment to such partially permanently disabled member, monthly from the said pension fund, a sum not less than thirty dollars or more than forty dollars, or in proportion to the number of beneficiaries of said fund, [as the condition of said pension fund] may warrant. The member so partially permanently disabled and relieved from active service at fires, shall remain a member of said fire department, subject to the rules governing the same, and may be ordered by the said board of fire commissioners to the performance of such light duties as the medical officer ordered by said board of fire commissioners may certify him qualified to perform, and the said board of fire commissioners shall, out of the general fund of said fire department, fix and pay such additional compensation for the

performance of said light duties as the circumstances and merit of each case [in its discretion] may warrant. Such pension and additional compensation so paid to such partially permanently disabled member mentioned in this and the preceding sections of this act, shall be in lieu of any salary received by such member at the date of his being so relieved from active service at fires, and the said city shall not be liable for the payment of any other claim or demand for services hereafter rendered by such partially permanently disabled member.

SEC. 13. Any member of the said fire department, after twenty-five years' service in said fire department shall, upon his written application to the said board of fire commissioners, be retired from all service in said fire department and the said board of trustees, upon such member being so retired, shall authorize the payment to such retired member, monthly, from the said pension fund, the sum of forty dollars, or in proportion to the number of beneficiaries of said fund as the condition of said pension fund will warrant. That the payment of such pension shall be made by drafts drawn by the order of said board of trustees signed by the president and countersigned by the said secretary.

When members of fire department may be retired.

SEC. 14. That no portion of the said pension fund shall, either before or after its order of distribution by the said board of trustees to such disabled member of said fire department, or to the widow or guardian of the minor child or children, or to the dependent mother or father of a deceased or retired member of such department, be held, sized, taken, subjugated, detained or levied on by virtue of any attachment execution, injunction, writ, interlocutory, or other order or decree, or any process or proceeding whatever, issued out of, or by any court in this state, for the payment or satisfaction, in whole or in part, of any debt, damages claimed, and judgment, fine or amercement of such member, or his said widow, or the guardian of his minor child or children, or of the dependent mother or father or any deceased member; but the said fund shall be sacredly held, kept, secured, promoted and distributed, for the purpose of pensioning the persons named in this act, and for no other purposes whatever; provided, however, that no person shall be considered a member of the fire department within the meaning of this act, or entitled to its benefits, except the fire marshal, and assistant fire marshal, captain, lieutenants, engineers, stokers, pipemen, drivers, truckmen, assistant superintendent, operators, repairers or linemen of the fire alarm telegraph, and all substitutes regularly appointed by the said fire marshal, according to the rules of said fire department, while in the actual performance of their duties as substitute members; providing, that all members deriving benefits under the act of March, 29, 1883, entitled "an act to amend section 1 of an act entitled 'an act to provide for the relief of disabled firemen, in cities of the second grade of the first class,' as amended April 16, 1881 (78 O. L., 137), and to amend sections 2 and 3 of said orig-

Pension fund exempt from execution and process before or after its distribution.

inal act (77 O. L., 309)," shall be deemed beneficiaries under this act, and shall receive benefits equal in amount, and under like conditions as those who shall hereafter be made beneficiaries under this act.

SECTION 15. That all acts or parts of acts inconsistent with this act be and the same are hereby repealed; and this act shall take effect on its passage. [86 v. 149.]

Passed March 27, 1889.

[Senate Bill No. 303.]

AN ACT

To provide for the payment of one-half the taxes received from foreign insurance companies, in counties containing a city of the first grade of the first class, to the police relief fund of such city.

Taxes on foreign insurance companies in certain cities.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That the county treasurers of counties containing a city of the first grade of the first class shall, semi-annually, at the time of their semi-annual settlement with the auditors of their respective counties, pay over to the treasurer of such city one-half of the amount to which such city is entitled, under its annual levy to receive, of all the taxes paid into the treasuries of their respective counties by foreign insurance companies on their gross receipts, under the provisions of section[s] 2745 of the Revised Statutes, during the half year preceding such semi-annual settlement; and the money so paid over to the city treasury shall be credited to the police relief fund of such city and shall be controlled, administered and disbursed in accordance with the provisions of sections 1903, 1904, 1905 and 1906 of the Revised Statutes, as passed March 30, 1886.

SECTION 2. This act shall take effect and be in force from and after its passage. [86 v. 5.]

Passed January 21, 1889.

[Senate Bill No. 103.]

AN ACT

To provide for the revision and improvement of the statutes of Ohio relating to insurance.

Commission to revise insurance laws.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That the governor, by and with the consent of the senate, shall appoint two competent commissioners, one from the political party which at the last state election cast the highest number of votes and the other from the party who at such election cast the next highest number of votes, which shall not have any official connection

with an insurance company, own any stock in such company, or be interested in the business thereof except as a policy-holder, who shall be elector of this state, who together with the attorney-general and superintendent of insurance, shall constitute a commission to revise and improve the statutes of Ohio relating to and regulating insurance; and in case a vacancy shall occur in said commission, the governor is authorized to fill the same.

SECTION 2. Such commission shall inquire into the business of insurance in all its branches with respect to its regulation by the state, with a view of ascertaining what provisions of law will best promote and protect the interest of policy-holders, of insurance companies, and the state; and for this purpose they shall hear representatives of the various kinds of insurance, and shall invite the fullest and clearest presentation of the views of all persons and bodies interested in the matter of insurance; and they shall have authority to send for persons and papers, and, with the approval of the governor, may personally investigate the mode of regulating insurance in other states.

Inquiry into insurance business.

SECTION 3. In making such revision and improvement, the commission shall bring together, arrange under suitable chapters and sections for insertion in its appropriate place or places in the Revised Statutes, all existing statutes relating to insurance, altering, amending and supplementing the same, so as to reconcile contradictions, supply omissions, amend imperfections and produce a consistent and efficient body of laws regulating the entire subject of insurance in this state. Head-notes to chapters, subheads for sections, references to the acts or sections from which compiled, and foot-notes of the decisions of the supreme court, shall be provided as in Smith and Benedict's edition of the Revised Statutes.

Rules governing revision.

SECTION 4. The commission shall complete the work intrusted to them within three months from the organization thereof and shall cause a copy of their report appropriately indexed, to be printed, and submitted to the next session of the general assembly for the enactment of the laws recommended therein. In the report, changes in the existing laws contemplated by the bill or bills submitted for enactment shall be pointed out, with the reasons therefor.

Time within which work to be completed; report.

SECTION 5. The commission shall be provided with suitable rooms for the prosecution of the work, and with necessary stationery; they may employ such clerical help as may be required, and shall have free access to the rolls, books and records in the departments of the state government. The commissioners (except the superintendent of insurance) and attorney-general shall each receive ten dollars per day for time actually employed in the work of the commission. The expenses (including compensation) of the commission shall be paid on the duly authenticated requisitions of the commission, accompanied by vouchers showing the purpose for which drawn, when approved by the gov-

Rooms, stationery, clerical help, access to rolls, etc.

Compensation of commissioners.

How expenses to be paid.

Limitation on expenses.

Statement of disbursements, etc.

ernor, by the superintendent of insurance, out of the fees collected in his department from the insurance companies in excess of the amount required to pay the salaries and expenditures of the insurance department; provided, however, the total expense of said commission for salary and clerk hire, witness fees and all other expenses shall not exceed the sum of fourteen hundred dollars for each commissioner or a total of twenty-eight hundred dollars for all compensation and expense and work of the commissioners and commission; in his settlements with the auditor of state, the superintendent of insurance shall make a statement of disbursement of fees under this section, and shall file the receipted requisitions, which shall be accepted by the auditor of state as full authority to make the same.

SECTION 6. This act shall take effect and be in force from and after its passage. [91 v. 343.]

Passed May 19, 1894.

[Senate Bill No. 359.]

AN ACT

Providing for the issuing of registered bonds by cities, villages, county and school districts, and their exchange.

Exchange of city, village, county or school district bonds.

SECTION 1. *Be it enacted by the General Assembly of the State of Ohio*, That any city, village, county or school district of this state, which has been or hereafter may be authorized to issue bonds, shall, on demand of the owner and holder of any of its coupon bonds heretofore or hereafter issued, issue in lieu thereof registered bonds of such city, village, county or school district; the owner and holder asking for exchange of bonds shall pay a reasonable compensation to cover expense of such exchange, which shall be of the same denomination, in excess of five hundred dollars, as the owner or holder may desire, bear the same rate of interest, and be payable at the same time, both as to interest and principal, as the coupon bonds for which they are exchanged; such coupon bonds, when so exchanged, shall be canceled and filed in the manner provided for bonds redeemed; a book shall be kept in each of the offices of the auditor and treasurer of any such city, clerk and treasurer of any such village, auditor and treasurer of any such county, and clerk of the board of education of any such school district, in which shall be entered the date, number, series, denomination, and owner of such registered bonds, and the number and series of the coupon bond for which it was exchanged; the interest and principal of such registered bonds shall, when due, be paid only to the order of the person, corporation or firm who appears by such books to be the owner thereof; and such registered bonds may be transferred on such books by the owner in person, or by a person authorized so to do by power of attorney, duly executed; and in such case the power of attor-

ney shall be filed and carefully preserved in the office of the treasurer of any such city, village, county or school district, that the exchange and registering of bonds required by this act shall be transacted by the mayor and clerk of any such city or village, the auditor and treasurer of any such county, and the president and clerk of the board of education of any such school district, at their business offices, and they shall keep a registry for that purpose; that the exchange and registering of bonds required by this act shall be transacted by the trustees of the sinking fund of such city at their business office, where a registry shall be kept for that purpose; but no bond so issued in exchange for other bonds shall be of a smaller denomination than one thousand dollars, unless and to the extent that the bonds offered for exchange are themselves of smaller denomination than one thousand dollars, and in no case shall such new bonds, when of denomination smaller than one thousand dollars, be for any other denomination than five hundred dollars. No bond, in lieu of a bond returned for cancellation, shall be issued until the same shall have been registered as herein provided. The bonds and coupons so exchanged for registered bonds, and all other bonds and coupons issued by such city, as to which both the bonds and coupons belonging to it have been fully paid, shall be canceled and destroyed by the mayor and clerk of any city or village issuing the same, the auditor and treasurer of the county, president and clerk of the board of education issuing the same, who shall at the time sign a certificate containing a description of the bonds and coupons so canceled and destroyed, of the fact and method of destroying the same, the place and time thereof, and that they were witnesses of these transactions, stating who, if any others, were present, and such certificate shall be preserved in such manner as said officers may provide.

SECTION 2. This act shall take effect and be in force from and after its passage. [91 v 363.]

Passed May 21, 1894.

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